

# **Supplier Requirements**

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**Agreement 03-01**

**January 2003**



*Army and Air Force Exchange Service*

**A095069**

**Item No. 7469095069**

**On-Line Only (OPR: PZ)**

## ***Change-1 to A095069***

### ***Supplier Requirements***

1. On 13 March 2003, Change-1 was made.
2. The significant changes are:

<b>Page/Paragraph</b>	<b>Significant Changes</b>
pg 24, para 9b and pg 28	Updates Logistics telephone numbers.
pg 35, para FO8	Updates Logistics mailing address.

# **Supplier Requirements**

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# Supplier Requirements

## SECTION 1 – GENERAL PROVISIONS

### 1. WARRANTY (DEC 91). Contractor warrants that:

- a. The items furnished will be merchantable and fit and sufficient for the use intended. "Seconds," "imperfects" or "irregulars," as those terms are normally understood in the trade, will be accepted only when specifically required in the contract. This warranty will survive AAFES' acceptance of the items and is in addition to other warranties of additional scope given to AAFES by the contractor. Any warranty given by the contractor will be at least as good as the warranty offered to other agencies and instrumentalities of the United States.
- b. The items or services furnished are covered by the most favorable warranties the contractor gives to any customer for such items or services, and that the rights and remedies provided in the contractor's warranties are in addition to and do not limit any rights afforded to AAFES by any other clause of this contract.
- c. Item warranty, packing, and packaging will comply with all contract terms and all laws, rules, and regulations applicable to delivery for domestic resale.
- d. With respect to hazardous materials not purchased for subsequent resale, contractor agrees to comply with all applicable laws and regulations, and whether required by law or regulation or not, will submit a Material Safety Data Sheet (MSDS) as prescribed in Federal Standard No. 3138. The Material Safety Data Sheets must be submitted to HQ AAFES, ATTN: LP, P.O. Box 660202, Dallas, Texas 75266-0202 at least five days prior to delivery of the hazardous materials.

### 2. INSPECTION/QUALITY ASSURANCE (QA) (MAR 94).

- a. Contractor will maintain an in-process and end-item quality control program to ensure AAFES shipments do not include defective/nonconforming items. AAFES reserves the right to review and evaluate the program. Review and evaluation may include in-process inspections and initial pilot lot inspections, as deemed appropriate, at contractor's or subcontractor's facility. See [www.aafes.com/QA/docs/supqap-ascertaining\\_quality.htm](http://www.aafes.com/QA/docs/supqap-ascertaining_quality.htm) for additional information.
- b. Where applicable, U. S. made items furnished under this contract are manufactured in accordance with Underwriter's Laboratories, Inc. (U.L.) standards or equivalent. If manufactured overseas, items furnished must meet the U. L. standards or equivalent or more stringent overseas standards. The applicable items or component items, regardless of where manufactured, must carry the appropriate U. L. or equivalent seal or listing mark.
- c. Items furnished under this contract are subject to inspection and test at all reasonable times, to include verification inspections, and at all reasonable places including but not limited to the manufacturing or assembly plant, shipping point, depot, and the using or selling activity. AAFES may, at its option, inspect in accordance with any commercial or military inspection procedure and determine the acceptable quality levels used during the inspection. AAFES QA sampling plans can be accessed at [www.aafes.com/QA/docs/supqap-statistical\\_sampling\\_plans\\_home\\_page.htm](http://www.aafes.com/QA/docs/supqap-statistical_sampling_plans_home_page.htm) or can be obtained by calling QA at (214) 312-2711 or by writing to:

Chief, QA  
Army & Air Force Exchange Service  
3911 S. Walton Walker Blvd.  
Dallas, TX 75236 U.S.A.

Associated handling and freight costs incurred by AAFES will be charged back to the contractor for all rejected lots/ shipments.

## **SECTION 1 – GENERAL PROVISIONS**

- d. If items purchased are defective/nonconforming, the contracting officer may take any of the following actions:
  - (1) Prior to acceptance, the contracting officer may:
    - (a) reject items and return them to the contractor, charging the contractor for all associated handling and freight costs.
    - (b) reject items and require the contractor to repair or replace them in a reasonable specified time;
    - (c) accept the items at an equitable adjustment in price determined by the contracting officer.
  - (2) After acceptance, the contracting officer may revoke acceptance and proceed under (1) above.
- e. If lots furnished are defective/nonconforming, the contracting officer may take any of the following actions:
  - (1) Prior to acceptance, the contracting officer may:
    - (a) reject and return the lot to contractor charging the contractor for all associated handling and freight costs
    - (b) in lieu of rejection, screen (100% inspect) the items; items meeting contract requirements will be accepted; defective/nonconforming items will be treated as indicated in d. above;
    - (c) reject the lot and require the contractor to screen all items and repair or replace defective/nonconforming items in a reasonable specified time;
    - (d) accept the lot and have the items repaired for the contractor's account; or
    - (e) accept the lot at an equitable adjustment in price.
  - (2) After acceptance, the contracting officer may:
    - (a) revoke acceptance for any reasonable lot (group of items available for inspection) and proceed as in e.(1) above; or
    - (b) revoke acceptance of items and proceed as in d. above for rejected items.
- f. If items/lots are shipped/delivered late, the contracting officer may:
  - (1) Reject the items/lots and return them to contractor charging the contractor for all associated handling and freight costs; or
  - (2) Accept the items/lots at an equitable adjustment in price.
  - (3) If it is necessary to cover in part or totally because of late shipment/delivery, the contracting officer may include costs of cover in determining the equitable adjustment even though the contract has not been terminated.
- g. Exercise of any of the options in the INSPECTION/QUALITY ASSURANCE paragraph will not preclude action under other clauses of the contract (e.g., Defaults, Returns, etc.) or in accordance with general provisions of law.
- h. Invoices, for due dating and prompt payment discount qualifying purposes, will be considered received on the date inspection is completed.

## SECTION 1 – GENERAL PROVISIONS

### i. Heavy Metal Leaching

(1) Contractor warrants that any product furnished under this contract that can reasonably be used to carry food or liquid for human consumption and made of a substance prone to heavy metal leaching, such as pewterware, earthenware, ceramicware, chinaware, ironware, lacquerware, bronzeware, brassware, leaded crystalware, and coated/plated items with a heavy metal base, contains no leachable levels of metals dangerous to users. Maximum leachable levels and test methods are established by the U. S. Food and Drug Administration.

(2) AAFES reserves the right to test the contractor's products on an unannounced basis. If a heavy metal leaching failure is found, contractor agrees to reimburse AAFES for all follow-up costs to sample test the remainder of the items ordered. This provision does not supersede other provisions allowed by the contract. Contractor further warrants that products have been tested by either the U. S. Food and Drug Administration or a nationally recognized, independent test laboratory and found to be in compliance with the current U. S. Food and Drug Administration action levels and test methods. Test data will be furnished to AAFES upon request by the contracting officer.

### 3. PRICES (NOV 95).

a. Contractor warrants that during this contract, the net price to AAFES (considering unit price, discounts, allowances, co-op advertising, rebates and other terms and conditions) for each item purchased will be as favorable as, or better than, the price the item is being sold by contractor, to other customers under the same or similar conditions and in the same general geographical area pursuant to agreements made during the same period. In the event contractor subsequently agrees to sell the item to another customer at a lower price, contractor is obligated to promptly offer the lower price, in writing, to the contracting officer. If requested by the contracting officer, the contractor will provide evidence (invoices, price lists, etc.) of recent sales to other customers to establish that the price meets the warranty.

b. In the event contractor subsequently extends special offers (e.g., VPRs, rebates, coupons) or other special terms to other customers, the contractor is obligated to promptly extend them, under the same conditions, in writing, to the contracting officer. If the contracting officer accepts, contractor's obligation under subparagraph a. and this subparagraph will be to provide a net price as favorable as the terms (as set forth in subparagraph a. and herein) extended to other customers. The contracting officer's written acceptance of a contractor's special offer need not be in the form of a contract amendment.

c. The above warranty and obligations may be modified only by written agreement between contractor and the contracting officer, based upon written justification acceptable to the contracting officer.

d. Price changes must be submitted in writing or sent electronically (EDI transaction 879). Notification along with justification must be given to the contracting officer 60 days prior to the price increase effective date. Granting of any price increase is at the sole discretion of the contracting officer. In the event contractor submits price protection pricing, the reductions will be taken on stock on-hand, on-order and in-transit.

e. The prices will remain firm for the contract period, however, written requests for adjustment may be considered when accompanied by documentation substantiating significant and unforeseen cost increases which occurred after the date of award. Granting of any price increase is at the sole discretion of the contracting officer.

### 4. RETURNS (MAR 94). In any case where items or lots are to be returned (e.g., as defective/nonconforming, late or under another clause), the contract value of the goods as of the date the items are returned will be charged back to the contractor plus negotiated handling fees, and the following will apply:

a. The contracting officer will notify contractor of contracting officer decision to return the item/lot and request disposition instructions. Returns of items or lots with a cost price under \$250 may be made without prior notification. The contracting officer may request a refund of any payments and an advance to cover the costs of contractor's instructions (e.g., transportation and other related expenses). Title and risk of loss pass to contractor upon shipment from the AAFES facility.



## SECTION 1 – GENERAL PROVISIONS

- b. AAFES will deduct the cost of returned items including any transportation costs, from any payment due the contractor. If no money is due the vendor to offset the cost of the returns, a notice of the balance due will be sent to the vendor. The vendor must reimburse AAFES within thirty days of the date of the notice. In the event the thirty days expires and the vendor's debt has not been paid by check or deducted from payments due the vendor, AAFES will begin to accrue interest against the balance for each thirty days thereafter. The interest charge will be calculated using the balance due at the end of each thirty-day period. The interest rate will be prime plus one percentage point.
- c. Unless otherwise provided, AAFES will retain earned discounts and allowances, such as, but not limited to: prompt payment discounts, anticipation, distribution allowances, bottom line discounts, special allowances, advertising allowances, discounts in lieu of warranty and freight allowances. With the exception of freight allowances, all of these discounts or allowances may be credited the contractor on a pro rata basis in conjunction with the return of defective/nonconforming items resulting from inspection and rejection of all or part of a "lot."
- d. If contractor fails to provide instructions within two working days or such other reasonable time as the contracting officer allows, refuses to accept returned items or lots, or fails to provide a requested advance or refund of payments, the contracting officer may, at contracting officer option and in addition to other remedies specified elsewhere in the contract:
- (1) Advertise the item/lot in one or more local newspapers or trade journals and sell the item/lot for the best price at the place where the item/lot is located; or
  - (2) Turn the item/lot over to a government property disposal office if there is no responsive offer from a responsible source to an advertisement ((1) above) or if the contracting officer otherwise determines the item/lot is not readily saleable for other than scrap or salvage.
  - (3) Donate the item/lot to a charitable organization in accordance with government regulations.
- e. AAFES will credit contractor for any surplus over the amount due from contractor for payment for the goods and incidental and consequential damages.
- f. Contractor must notify the contracting officer in writing within ninety days after a request for payment or a deduction from payments is made if returned merchandise is not received or is received in quantities or at prices different from the document supporting a deduction. Claims against AAFES for nonreceipt will not be honored after this ninety-day period.
5. **CONTRACTOR LIABILITY (MAR 94).** In addition to the liabilities specifically provided for in other clauses, contractor will be liable as follows in the event contractor fails to fully and timely perform in accordance with all contract provisions:
- a. Incidental damages, including expenses reasonably incurred in inspection, receipt, packing, rejection or screening of goods in lieu of rejection, care and custody of goods rightfully rejected, transportation, and any other reasonable expense incident to contractor's failure to fully and timely perform in accordance with all contract provisions.
  - b. AAFES may charge the contractor for any costs incurred as a result of nonconformance. Nonconformance may include but is not limited to:
    - (1) Failure to follow transportation routing guide or purchase order routing when applicable
    - (2) No cross dock ASN (Advance Shipping Notification)
    - (3) Bad or incorrect UCC128 label
    - (4) Noncompliant pallets for Europe
    - (5) Cross dock overages
    - (6) Incorrect or no case markings
    - (7) Incomplete documentation
    - (8) Failure to ship FOB Origin orders, or failure to deliver FOB Destination orders on time
    - (9) Merchandise not prepriced if required

## SECTION 1 – GENERAL PROVISIONS

- (10) No UPC/Incorrect UPC
- (11) UPC not readable
- (12) Incorrect bill of lading
- (13) Purchase orders not segregated
- (14) Item substitution not authorized
- (15) Quantity changes not authorized
- (16) Incorrect case pack received.

c. Vendors must have written confirmation of any changes to the purchase orders (i.e., ship date changes, quantity changes, etc.). Verbal approvals are not valid and cannot be substantiated or cause for chargeback reversal.

d. Contractor will not be liable for incidental damages, if the failure to perform arises out of causes beyond the control and without the fault or negligence of the contractor and any subcontractors and suppliers. Such causes may include acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather. In such case, contractor must provide prompt written notice to the contracting officer; the contracting officer may accept late, partial or substituted performance, or may terminate the contract in whole or in part effective immediately upon receipt of written notice by contractor.

### 6. SURVEILLANCE (JAN 94).

a. AAFES may perform electronic or other types of surveillance in AAFES facilities. Contractor will inform its employee representative that such surveillance may be conducted and that individuals implicated in improprieties may be found unacceptable for employment in any AAFES facility, and prosecuted in Federal court for any resulting law violation. Contractor will obtain written certification from all its personnel, to include employees and representatives, performing contract functions at exchange facilities and will maintain the certification on file for the period of the contract. The form for this certification is shown below.

#### EMPLOYEE CERTIFICATION

I, \_\_\_\_\_, certify that \_\_\_\_\_ has informed me electronic surveillance may be used to verify contract compliance and detect improper handling of funds. If a violation is detected, I understand that I may be found unacceptable for employment in any AAFES facility and prosecuted in federal court for any resulting law violation.

Signed \_\_\_\_\_ Dated \_\_\_\_\_

b. Contractor is liable and will pay AAFES for losses under this contract detected by surveillance or otherwise discovered.

### 7. WITHHOLDING (MAY 89). AAFES may withhold payment for:

- a. Amounts due or creditable to AAFES under this contract, e.g., returns, damages.
- b. Amounts otherwise due or creditable to AAFES. Any dispute will be processed under the Disputes clause unless it became due pursuant to another contract which included a Disputes clause.
- c. In conjunction with any withholding, AAFES will retain the benefit of all earned discounts and allowances including, e. g. prompt payment discounts, anticipation, rebates, distribution allowance, discounts in lieu of warranty and freight allowances. Prompt payment discounts, anticipation and rebates will also be considered earned if they would have been earned except for the withholding.

### 8. NON-WAIVER OF DEFAULTS (MAY 89). Any failure by AAFES at any time, or from time-to-time, to enforce or require strict performance of any terms or conditions of this contract will not constitute waiver thereof, and will not affect or impair such terms and conditions in any way or AAFES' right at any time to avail itself of such remedies as it may have for breach or breaches of such terms and conditions.

## SECTION 1 – GENERAL PROVISIONS

### 9. **AUTOMATIC DATA PROCESSING VIRUS (AUG 92).**

a. Vendor-furnished Automatic Data Processing (ADP) products must be virus-free. ADP products includes but is not limited to, firmware (e.g. cash registers, modems, printers, personal and mainframe computers), packaged software programs, software programs tailored for AAFES, demonstration diskettes, subscribed data bases, electronic mail, drawings, reports, Electronic Data Interchange systems and maintenance diskettes.

b. Vendor warrants that the ADP products provided have been controlled and protected to avoid virus contamination. This warranty will end ninety calendar days after proper product installation unless vendor changes (modifies, upgrades or provides approved substitutes) the product. If a change occurs, the warranty will end ninety calendar days after such changes are installed on AAFES property.

c. In the event there is evidence reasonably tracing a virus contamination to the product provided under this contract, AAFES will notify the vendor. The vendor will be liable for all costs incurred by AAFES in removing the virus, correcting damaged ADP products and including labor, repair costs and replacement ADP products.

### 10. **AUTOMATIC DATA PROCESSING VIRUS (RETAIL) (NOV 96).** Vendor warrants that all software sold to AAFES for retail sales is virus-free. Vendor warrants that ADP products have been controlled and protected to avoid virus contamination. If a vendor product is returned to AAFES by a customer because of virus contamination, vendor agrees to accept return of the product, regardless of when it was purchased by AAFES or shipped by vendor, and to replace it at no cost to AAFES or the customer. Claims against AAFES as result of virus contaminated retail products will be handled in accordance with the Hold Harmless and Indemnification clause in this agreement.

### 11. **AAFES/VENDOR PARTNERSHIP MARKETING PROGRAM (JUL 94).** The AAFES Marketing Program consists of numerous elements to enhance the sale of consumer products and services. At the contractor's request, AAFES will give the contractor the opportunity to participate in selected elements of the Program. All participation will be in conjunction with the sale of authorized products and services to authorized customers. AAFES reserves the right to limit the degree of participation based on availability, designated themes of special events, and the overall goals of the program.

### 12. **AAFES PRIVATE LABEL.** Items produced or furnished with packaging that bears the AAFES brand, logo, design or name, will not be sold or released to another party. This prohibition includes, but is not limited to, quality control rejects, production overruns and overstocks. The items may be sold only if repackaged with the brand, logo, design or name removed.

### 13. **AAFES SELL PRICE.** Any reference to AAFES sell or retail prices are solely for AAFES information and internal purposes and do not constitute an agreement to sell any product at a particular price.

### 14. **PRIVACY ACT (Apr 1984) (AUG 02).**

#### a. The contractor agrees to–

(1) Comply with the Privacy Act of 1974 (the Act) and the agency rules and regulations issued under the Act in the design, development, or operation of any system of records on individuals to accomplish an agency function when the contract specifically identifies–

(a) The systems of records; and

(b) The design, development, or operation work that the contractor is to perform;

(2) Include the Privacy Act notification contained in this contract in every solicitation and resulting subcontract and in every subcontract awarded without a solicitation, when the work statement in the proposed subcontract requires the redesign, development, or operation of a system of records on individuals that is subject to the Act; and

(3) Include this clause, including this subparagraph (3), in all subcontracts awarded under this contract which requires the design, development, or operation of such a system of records.

## SECTION 1 – GENERAL PROVISIONS

- b. In the event of violations of the Act, a civil action may be brought against the agency involved when the violation concerns the design, development, or operation of a system of records on individuals to accomplish an agency function, and criminal penalties may be imposed upon the officers or employees of the agency when the violation concerns the operation of a system of records on individuals to accomplish an agency function. For purposes of the Act, when the contract is for the operation of a system of records on individuals to accomplish an agency function, the Contractor is considered to be an employee of the agency.
- c. (1) "Operation of a system of records," as used in this clause, means performance of any of the activities associated with maintaining the system of records, including the collection, use, and dissemination of records.
- (2) "Record," as used in this clause, means any item, collection, or grouping of information that is maintained by an agency, including, but not limited to, education, financial transactions, medical history, and criminal or employment history and that contains the person's name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a fingerprint or voiceprint or a photograph.
- (3) "System of records on individuals," as used in this clause, means a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual.

### 15. AAFES POLICY ON SOCIAL RESPONSIBILITY AND LABOR STANDARDS (AUG 02).

**A copy of these standards, translated in the language(s) of the workers shall be posted in a location, visible to all employees at all production facilities that manufacture goods and merchandise for the Army & Air Force Exchange Service.**

**Any person(s) having knowledge of any violation of these standards are encouraged to contact:**

**Army & Air Force Exchange Service  
ATTN: Chief, Quality Assurance  
3911 S. Walton Walker Blvd.  
Dallas, Texas 75236 U.S.A.**

To assure full compliance with our Social Responsibility and Labor Standards, AAFES or a third party designated by AAFES shall assert its right to conduct announced or unannounced inspections of suppliers and/or subcontractors production facilities.

Child Labor: Suppliers shall comply with the child labor laws of the country where the production facility is located. In cases where there are no local laws governing child labor, no person under the age of 14 years shall be employed.

Forced Labor: Suppliers shall not use forced or other compulsory labor in the manufacture of products intended for AAFES. Suppliers shall not require employees to lodge "deposits" or identity papers upon commencing employment with the company.

Working Hours: Suppliers shall comply with applicable local laws on working hours.

Compensation and Benefits: Suppliers shall ensure that wages paid for a standard workweek are consistent with local/national laws.

Disciplinary Practice: Suppliers shall not engage in or support the use of corporal punishment, mental or physical coercion, and verbal abuse.

Freedom of Association and Right to Collective Bargaining: Suppliers shall respect the right of all employees to form and join trade unions of their choice, consistent with prevailing local/national law and to bargain collectively nor enter into any activity that impedes or suppresses freedom of association. Suppliers shall ensure that representatives of such employees are not subject to discrimination and that such representatives have access to their members in the workplace.

## SECTION 1 – GENERAL PROVISIONS

**Discrimination:** Suppliers shall be consistent with local laws regarding discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, maternity status, union membership, or political affiliation.

**Safe and Healthy Workplace:** Suppliers shall provide their employees with a safe and healthy workplace in compliance with local laws.

### SECTION 1.A. – ADDITIONAL GENERAL PROVISIONS

#### 1. ALCOHOLIC BEVERAGE HEALTH WARNING STATEMENT.

- a. All containers of alcoholic beverages supplied under this contract will include the following health warning statement on the product label.

**GOVERNMENT WARNING:** According to the Surgeon General, women should not drink alcoholic beverages during pregnancy because of the risk of birth defects. Consumption of alcoholic beverages impairs your ability to drive a car or operate machinery, and may cause health problems.

- b. An alcoholic beverage includes any beverage in liquid form that contains not less than one-half of one percent (0.5%) of alcohol by volume and is intended for human consumption.

- c. A container is defined as the innermost sealed container, irrespective of the material from which it is made, in which the bottler places an alcoholic beverage and in which such beverage is offered for sale.

- d. All labels will be designed in a manner to make the health warning statement readily legible under ordinary conditions. The statement will be on a contrasting background with the words **GOVERNMENT WARNING** capitalized and in bold type.

- e. Size:

(1) For containers of 237 milliliters (8 fluid ounces) or less, the statement will be in script type or printing no smaller than one millimeter with a maximum of 40 characters per inch (2.54 centimeters).

(2) For containers between 237 milliliters (8 fl. oz.) and 3 liters (101 fl. oz.), the statement will be in script type or printing no smaller than two millimeters with a maximum of 25 characters per inch (2.54 centimeters).

(3) For containers larger than three liters (101 fl. oz.), the statement will be in script type or printing no smaller than three millimeters with a maximum of 12 characters per inch (2.54 centimeters).

- f. The labels will be affixed to the containers so that they cannot be removed without a thorough application of water or other solvents.

#### 2. CONTRACTOR-OWNED EQUIPMENT/FIXTURES.

- a. Contractor equipment/fixtures provided for performance of the contract are subject to approval by the contracting officer. The equipment/fixtures will be in like new condition and maintained in good, working order by the contractor. Title to all contractor-furnished equipment/fixtures will remain with the contractor. Any required investment is a business risk for which AAFES assumes no liability.

- b. All charges incident to shipping, furnishing, installing or removing contractor-owned equipment/fixtures will be at the contractor's expense. If destined for an overseas facility, AAFES will provide transportation support from the port of embarkation. No equipment/fixtures will be removed without contracting officer approval.

- c. AAFES will have the first option and right to purchase any or all of the contractor-furnished equipment/fixtures used in performing the contract. If AAFES exercises this option, the value of the equipment/fixtures will be determined by a five-year, straight-line depreciation rate from the date of original purchase and purchase price or one dollar (\$1.00), whichever is higher. If AAFES does not exercise this option, the contractor will remove the equipment/fixtures or provide disposition instructions to the contracting officer. The instructions must be provided within fifteen days of contract expiration.



## SECTION 1.A. – ADDITIONAL GENERAL PROVISIONS

3. **CONTRACTORS' WARRANTY.** A copy of the contractor's warranty for the contract item(s) is shown in the Contractor Warranty Exhibit. Nothing in the contractor's warranty may supersede or restrict the warranty contained in the AAFES Warranty clause. AAFES will accept Contractor's warranty provisions that are more favorable than the AAFES Warranty clause. Contractor will furnish a copy of the warranty with each item.
4. **CONTRACTORS' WARRANTY.** Contractor will provide the contracting officer, upon request, a copy of applicable warranties. Nothing contained in the contractor's warranty may supersede or restrict the warranty contained in the AAFES Warranty clause. AAFES will accept contractor's warranty provisions that are more favorable than the AAFES Warranty clause. Contractor will furnish a copy of the warranty with each item.
5. **INVENTORY ADJUSTMENTS.** Exchange inventory will not exceed the overall stock-to-sales ratio agreed upon by the contractor and the contracting officer. Contractors that assist in store ordering will ensure that only models/ styles, colors, and required sizes that are on a store's plan-o-gram module will be shipped. Contractor must accept undamaged merchandise for replacement on an item-for-item basis, when necessary, to ensure that a selling facility has a balanced selection of sizes, colors and models/styles consistent with the store's module. Disposition of merchandise that exceeds the agreed upon stock-to-sales ratio is the responsibility of the contractor. Contractor will bear the risk of loss upon shipment, cost of insurance, if any, and transportation.
6. **LOGO/ARTWORK/PROOF.** All AAFES-furnished artwork bearing AAFES' logo or trademark will remain AAFES' property. The AAFES logo or trademark or any artwork may not be changed, revised or altered. Within twenty calendar days after expiration or termination of contract, contractor will return all AAFES-furnished artwork to the contracting officer. Contractor will provide a mock-up/proof for approval before initial production run. A first-run sample for the item(s) will be furnished to the contracting officer for approval, before full production.
7. **MERCHANDISE UNIT CONTROL (MUC).** Contractor will provide personnel to perform the services required under this paragraph. Contractor will also provide the contracting officer with the name, telephone number and area of responsibility for each representative who will perform service in AAFES activities. Contractor's representatives must have proper identification. Individuals without proper identification will not be admitted to exchange facilities. Contractor agrees that any person, who is unacceptable to the contracting officer, will not be used to perform MUC service. AAFES Headquarters will provide AAFES activity managers with a list of contractor's representatives. Contractor MUC services to be provided follows:
  - a. Contractor's representative will visit each participating activity at least once each month, or mutually agreed times, as approved by the contracting officer. This is the minimum visit frequency. Activities with higher sales volumes may require more frequent visits, i.e. weekly. Even more frequent visits may be required for activities with the highest retail sales volumes. Visits will correspond to the approved schedule. Approved schedules will be provided the applicable activities. These activities may take order action if the contractor's representative fails to appear within 48 hours of the scheduled visit.
  - b. The representative will report to the activity manager immediately upon arrival, present their identification and sign in.
  - c. Representative will use and maintain either AAFES' Open Order Facility MUC form or the contractor's MUC form. If the contractor format is to be used, it must be approved by the contracting officer. If the contractor's system is approved, it will be furnished by the contractor to each participating location. MUCs provide a format for the store to record monthly on-hand and on-order figures along with three months sales history. The MUC must include a basis for figuring stock levels. This is normally average monthly sales times the prescribed stock-to-sales ratio. The representative will complete the on-hand and on-order information for each of the four months shown on the form. The form will be filed in the facility manager's office. AAFES personnel will be responsible for posting receipts for accountability purposes. Store MUC records (MUC book, computer printouts, etc.) will remain in the exchange facility.
  - d. Contractor's representative will inventory stock on-hand, update the stock control record and prepare an order if needed. The order will be submitted, with the stock control record, to the respective AAFES department supervisor for signature. Orders will not exceed the stock-to-sales ratio established for the participating activity considering sales, stock control records, approved open-to-buy funds, items on-hand and due-ins. Orders will only include the items approved for the activity. The representative has no authority to represent AAFES. The representative will not sign documents for AAFES nor complete customer sale transactions.

## SECTION 1.A. – ADDITIONAL GENERAL PROVISIONS

e. The representative will report overstocks, unusual sales, aged, deteriorated or damaged stocks to the activity manager. Stock structure addition or deletion recommendations will be reported to the activity manager and the contracting officer. Activity stock structure additions are limited to the items in a contract or mechanized system. The contracting officer must approve the addition of another item.

f. Representative will remove from stock any defective, aged or excess merchandise and include with contractor's merchandise that AAFES may have removed. The contractor's representative will determine if the items are to be destroyed or returned. If the representative chooses to destroy the merchandise, representative will witness the destruction and sign a charge voucher. The representative will sign a charge voucher for merchandise being returned. If contractor's return labels are used, the representative must have the labels on-hand for immediate use. Unless otherwise stated, risk of loss will pass to the contractor upon shipment. The cost of return, to include transportation and any insurance, will be at the contractor's expense.

7.A. **MERCHANDISE UNIT CONTROL (MUC).** (includes subparagraph g.) Contractor will provide personnel to perform the services required under this paragraph. Contractor will also provide the contracting officer with the name, telephone number and area of responsibility for each representative who will perform service in AAFES activities. Contractor's representatives must have proper identification. Individuals without proper identification will not be admitted to exchange facilities. Contractor agrees that any person, who is unacceptable to the contracting officer, will not be used to perform MUC service. AAFES headquarters will provide AAFES activity managers with a list of contractor's representatives. Contractor MUC services to be provided follows:

a. times, as approved by the contracting officer. This is the minimum visit frequency. Activities with higher sales volumes may require more frequent visits, i.e. weekly. Even more frequent visits may be required for activities with Contractor's representative will visit each participating activity at least once each month, or mutually agreed the highest retail sales volumes. Visits will correspond to the approved schedule. Approved schedules will be provided the applicable activities. These activities may take order action if the contractor's representative fails to appear within 48 hours of the scheduled visit.

b. The representative will report to the activity manager immediately upon arrival, present their identification and sign in.

c. Representative will use and maintain either AAFES' Open Order Facility MUC form or the contractors MUC form. If the contractor format is to be used, it must be approved by the contracting officer. If the contractor's system is approved, it will be furnished by the contractor to each participating location. MUCs provide a format for the store to record monthly on-hand and on-order figures along with three months sales history. The MUC must include a basis for figuring stock levels. This is normally average monthly sales times the prescribed stock-to-sales ratio. The representative will complete the on-hand and on-order information for each of the four months shown on the form. The form will be filed in the facility manager's office. AAFES personnel will be responsible for posting receipts for accountability purposes. Store MUC records (MUC book, computer printouts, etc.) will remain in the exchange facility.

d. Contractor's representative will inventory stock on hand, update the stock control record and prepare an order if needed. The order will be submitted with the stock control record, to the respective AAFES department supervisor for signature. Orders will not exceed the stock-to-sales ratio established for the participating activity considering sales, stock control records, approved open-to-buy funds, items on-hand and due-ins. Orders will only include the items approved for the activity. The representative has no authority to represent AAFES. The representative will not sign documents for AAFES nor complete customer sale transactions.

e. The representative will report overstocks, unusual sales, aged, deteriorated or damaged stocks to the activity manager. Stock structure addition or deletion recommendations will be reported to the activity manager and the contracting officer. Activity stock structure additions are limited to the items in a contract or mechanized system. The contracting officer must approve the addition of another item.

f. Representative will remove from stock any defective, aged or excess merchandise and include with contractor's merchandise that AAFES may have removed. The contractor's representative will determine if the items are to be destroyed or returned. If the representative chooses to destroy the merchandise, representative will witness the destruction and sign a charge voucher. The representative will sign a charge voucher for merchandise being returned. If contractor's return labels are used, the representative must have the labels on-hand for immediate use. Unless otherwise stated, risk of loss will pass to the contractor upon shipment. The cost of return, to include transportation and any insurance will be at contractor expense.

## SECTION 1.A. – ADDITIONAL GENERAL PROVISIONS

- g. Representative will assist AAFES in the display of merchandise within space allocations. AAFES personnel will be informed of product improvements, proper application or use of product and instructed in improved selling techniques.
8. **PLACE OF PERFORMANCE AND SUBCONTRACTORS.** Contractor will not subcontract the manufacturing process for the items supplied under the contract nor change the place of manufacture without the prior written consent of the contracting officer. Any subcontractor, so approved and used in connection with the contract, is the agent of the contractor and not the agent of AAFES.
9. **PRICE ADJUSTMENTS, GOLD or SILVER.**
- a. The contract price of line items containing gold or silver may be recomputed if the gold or silver price, listed in the Wall Street Journal Handy and Harmon quote, changes by 10% or more (cumulative). The change will compare the price in effect on the date of contract award or a subsequent price recomputation. Either party may request a price adjustment in writing. The request must be supported by a copy of the Handy and Harmon quotation. The request will be based on the first publication of the Wall Street Journal quotation in each month and made within ten days following publication. The request must specify the amount of adjustment, limited to the content of gold or silver shown for the contract line items. A price adjustment (increase or decrease) will be effective the first day of the AAFES fiscal month (on or about the 26th of the calendar month) following receipt of request.
- b. Any request for price adjustment, based on factors other than mentioned above, will be made according to the Prices clause.
10. **PRICE ADJUSTMENTS, LEAD.**
- a. The price of contract line items containing lead may be recomputed if the price of lead, shown in the Wall Street Journal Commodities "Cash Prices" metals quote, fluctuates by 10% or more (cumulative). The change will compare the price in effect on the date of contract award or a subsequent price recomputation. Either party may request a price adjustment in writing. The request must be supported by a copy of the Wall Street Journal quotation. The request will be based upon the first publication of the Wall Street Journal quotation in each month and made within ten days following publication. The request must specify the amount of adjustment, limited to the content of lead shown for the contract line item(s). A price adjustment (increase or decrease) will be effective on the first day of the AAFES fiscal month (on or about the 26th of the calendar month) following receipt of request.
- b. Any request for price adjustment, based on factors other than mentioned above, will be made according to the Prices clause.
11. **PRICE MARKING.** Contractor will price-mark merchandise before or at delivery with tickets prepared according to Price Marking Instructions.
12. **PRODUCT DEMONSTRATION.**
- a. When requested by the contracting officer, contractor will provide personnel acceptable to the contracting officer to demonstrate product(s). Demonstration frequency will be determined by activity sales volume and complexity of the category, i.e. high-volume activities or activities selling computers may require daily visits in order to properly demonstrate the merchandise. Demonstrations will be conducted at times and locations mutually agreed to by AAFES and the contractor.
- b. Products and display material used for product demonstration will be at contractor's expense. Any material/ product taken from AAFES' shelf will be documented on a charge voucher, signed by contractor's representative acknowledging receipt of the material/product and assuming responsibility for contractor's payment.
13. **SALES RACKS.** Unless otherwise provided, any equipment, racks, sales fixtures, or other display devices delivered to AAFES for use in conjunction with contractor's products become AAFES property upon delivery and at no additional charge.



## SECTION 1.A. – ADDITIONAL GENERAL PROVISIONS

14. **SEASONAL DECORATIONS.** Contractor warrants that all seasonal decorations furnished are flame-retardant or noncombustible according to National Fire Protection Association definitions.
15. **SPECIFICATIONS/PURCHASE DESCRIPTIONS.** The contractor will provide the brand name products listed in this contract which are the contractor's regular commercial products.
16. **SPECIFICATIONS/PURCHASE DESCRIPTIONS.** The specifications/purchase descriptions specified in this contract represent the minimum quality standards of items to be furnished.
17. **SPECIFICATIONS/PURCHASE DESCRIPTIONS.** Item(s) furnished must comply with all requirements of this contract and equal or exceed the quality of the sample(s) reviewed by the contracting officer and/or purchased by AAFES.
18. **SPECIFICATIONS/PURCHASE DESCRIPTIONS.** The contractor will provide the brand name products listed in this contract which are the contractor's existing regular commercial products. Items furnished must comply with all requirements of this contract and equal or exceed the quality of the samples submitted to the contracting officer; such samples may be used as a basis for ensuring that items subsequently furnished are as called for by this contract. Additionally, product descriptions and specifications contained in contractor's catalog trade offerings will apply to items furnished, to the extent that they do not reduce the quality of the contractor-furnished samples.
19. **STOCK STRUCTURE/AUTHORIZED ORDERING ACTIVITIES.** Each item listed in Exhibit B is coded to correspond to facility/store classifications. The contractor will not ship any items to a store which are not in the authorized stock structure for that facility. For example, an item coded "D" may be stocked in any facility/store classified as S, A, B, C or D. B-coded items may be stocked in any facility/store classified as S, A or B, but not in C or D facilities/stores. An item coded "R" may be stocked in any retail facility. F-coded items may be stocked in any food facility. Items coded "RF" may be stocked in both.
20. **STOCK STRUCTURE/AUTHORIZED ORDERING ACTIVITIES.** Items authorized for purchase under this contract and facilities/stores authorized to stock specific items are listed in an Inventory Management Purchase Order (IMPO) Catalog. The contractor will not ship any items which are not in the authorized stock structure for that facility.

## SECTION 2 – TAX AND DRAWBACK

- T01. **TAX EXEMPTION CERTIFICATE.** Articles described herein are either for use of the Exchange or for resale in foreign countries or possessions of the United States, and when purchased for resale these articles will be sold or disposed of in a foreign country or possession of the United States and will not be returned to the United States before such resale or other disposition, and are accordingly exempt from all applicable taxes imposed on such articles pursuant to the Internal Revenue Code. (NOT FOR SHIPMENT TO ALASKA OR HAWAII.)
- T02. **FOR CONTRACTORS AGREEING TO IMMEDIATE PRICE REDUCTIONS.** The price for merchandise purchased on this order includes a price reduction for refundable customs duty and/or federal excise tax less the cost of claim processing. AAFES will execute the required waiver(s) and certification(s) of export upon submission of documents covering claims.

**Note:** The following paragraphs relate to the reclamation of duty when AAFES subsequently exports products purchased from your firm for which your firm paid import duties. AAFES can, with your help, reclaim the duty component from U.S. customs in instances where we have exported your products outside the U.S.

- T03. **DUTY DRAWBACK–CONTRACTOR FILING.** Contractor agrees to process claims for drawback of customs duties and/ or refund federal excise tax promptly and to remit proceeds, less actual costs of claim processing, to AAFES. AAFES will execute the required waiver(s) and certification(s) of export upon submission of documents covering claims.

## SECTION 2 – TAX AND DRAWBACK

**T04. DUTY DRAWBACK–BROKER FILING.** AAFES uses a duty drawback broker in our efforts and requires your cooperation with them so that they may develop duty drawback claims on our behalf. Any information shared with our broker is strictly confidential and will not be disclosed to AAFES. As a condition of doing business with AAFES, vendors agree to comply with 191.10 of Customs Regulations by supplying AAFES, or their designated agent, with certificates of delivery and the information contained in 191.10 (b) (1) through (11).

**Note:** Code T02 does not apply to orders or shipments to areas that refund of tax is not allowable under the applicable Customs/IRS regulations.

## SECTION 3 – INVOICING AND PAYMENT

Questions concerning invoicing and payment should be directed to the Accounts Payable Office. Invoice status can be viewed online at <http://odin.aafes.com/vendor/>. If Internet access is not available, please call the FA Help Desk at 1-800-582-3289, or fax your inquiry to 972-277-1308.

### 1. Invoicing Procedures.

a. To be considered a proper invoice for Prompt Payment Act purposes, a separate numbered invoice is required for each order or part of an order. Do not duplicate an invoice number used in prior billings. The company named on the order must submit the invoice. Once invoices are sent electronically (EDI 810), do not submit paper invoices. Each invoice must contain the following information:

(1) Invoice number and date. Each invoice will have its own unique number. The invoice date cannot be earlier than the order ship/delivery date. If dated earlier than the ship/deliver date, AAFES will return the invoice because of the early date or if it is improper for another reason.

(2) The order number.

(3) The AAFES-assigned vendor payment number.

(4) Contractor name and telephone number if submitting paper invoices.

(5) Item description and quantity shipped/delivered.

(6) Line item cost for EDI transmissions. Line item cost and extension on paper invoices.

(7) Currency code if other than U.S. dollars.

(8) Shipping, payment and discount terms, distribution allowance, special allowance, in dollars only for electronic transmissions. Submit as percentages only on paper invoices. Do not deduct these percentages from the item cost or the invoice total.

(9) Number of cases shipped (required for paper invoices only).

(10) Packing, palletizing and crating charges if reimbursable. The contractor must prepay the reimbursable charges. State "packing and crating charges" and add to the total cost of invoice. If these charges cannot be included, then submit a separate packing, palletizing and crating invoice. The invoice must cross-reference the merchandise invoice and include the order number.

(11) Invoices for Exchange Catalog orders should be submitted within three days of shipment. Each purchase order must be invoiced separately using the 10-digit order number.

b. The contractor must invoice orders for delivery to a selling activity in the fifty United States as follows:

(1) An order for contractor direct delivery must have the original invoice packed in case number one or given to the exchange receiving activity upon delivery.

### SECTION 3 – INVOICING AND PAYMENT

(2) An order being shipped by contractor must have the original invoice and one copy packed in case number one. If the contractor cannot send the invoice with the shipment, enclose a packing slip in carton number one and send the original invoice to:

AAFES Accounts Payable  
P. O. Box 660261  
Dallas, Texas 75266-0261

(3) Mail invoices for merchandise sent to AAFES distribution centers, warehouses or Exchange Catalog customers to the above address.

c. Mark meat or meat food products invoices: INVOICE FOR MEAT OR MEAT FOOD PRODUCTS–EXPEDITE. Mark dairy products, edible fats or oils, or food products prepared principally from edible fats or oils invoices: INVOICE FOR DAIRY, FATS, OR OIL PRODUCTS–EXPEDITE.

d. A correcting invoice or credit memo must be so marked, cross-reference the merchandise invoice and include the order number.

#### 2. Payment Procedures.

a. A proper invoice is considered received, and the net payment period begins, on the later of the following dates:

(1) The date the invoice is actually received by the designated paying office, if at the time of receipt, AAFES marks the invoice with the date received.

(2) The date of the invoice if the designated paying office, at the time of receipt, fails to mark the invoice with the date received.

(3) The date an EDI invoice is received by the AAFES EDI data bank, if received during normal business hours; otherwise, the next business day.

(4) The seventh day after the date on which, according to the terms and conditions of the contract, the property is actually delivered or performance of the service is actually completed, unless

(a) AAFES has actually accepted such property or services before such seventh day, or

(b) The date of actual acceptance, if an acceptance period is specified in the contract.

(5) Acceptance occurs only when an authorized AAFES official accepts the goods or services.

b. To determine if payment is timely, we count each calendar day. Payment due on a Saturday, Sunday or U.S. holiday may be made the next business day without incurring late payment interest.

c. Payment is considered to be made on the date of the check, the date of receipt of an electronic fund transfer (see Section 4B), no matter the date the financial institution posts the transfer or the date withholding is initiated.

d. AAFES payment terms are as follows:

(1) Special item categories:

(a) Meat and meat food products, as defined by the Packers and Stockyard Act of 1921, 7 U.S.C. 182(3), including any edible fresh or frozen poultry meat, any perishable poultry meat food product, fish (fresh or frozen), fresh eggs, and any perishable egg product. Payment will be made within seven days after delivery.

### SECTION 3 – INVOICING AND PAYMENT

(b) Perishable agricultural commodities, as defined in the Perishable Agricultural Commodities Act of 1930, 7 U.S.C. 499 a(4). The term "perishable agriculture product" includes fresh fruit and fresh vegetables of every kind whether or not frozen or packed in ice, and cherries in brine. We will make payment not later than ten days after delivery, unless the contract specifies otherwise.

(c) Dairy products, as defined in the Dairy Production Stabilization Act of 1983, 7 U.S.C. 4502(e). It includes liquid milk, cheese, certain processed cheese products, butter, yogurt, ice cream, edible fats or oils, food products prepared principally from edible fats and oils such as mayonnaise, salad dressings, and other similar products. We will make payment not later than ten days after receipt of a proper invoice.

(2) End of Month (EOM) or Proximo (PROX) Terms. When the contract specifies payment terms based upon an **EOM** term, the 25th day of the calendar month will establish the EOM. When the contract specifies **PROX**, the payment term begins on the first day of the next calendar month. These terms are illustrated below using invoice receipt date:

**Net 10 EOM** If a proper invoice is received on or before the 25th day of the month, then payment is due on the tenth day of the next calendar month. If a proper invoice is received after the 25th day of the month, then payment is due on the tenth day of the second calendar month.

**Net 10 PROX** Payment is due on the tenth day of the calendar month following the calendar month that AAFES receives a proper invoice. Depending upon date of receipt, the length of the terms can vary from ten days (we receive the invoice on the last day of the month) to approximately forty days (we receive the invoice on the first day of the month).

(3) For items other than those specified as special item categories, if the contract does not specify when net payment is due:

(a) But the contract specifies a prompt payment discount period of less than thirty days, then net payment will be due thirty days after receipt of a proper invoice.

(b) But the contract specifies a prompt payment discount period of thirty days or more, then net payment will be due thirty days after the prompt payment discount period ends.

(c) But the contract has no prompt payment discount, then net payment will be due thirty days after receipt of a proper invoice.

e. AAFES will send payment to the Vendor Master File address.

If the contractor wants to change the address where we should send payment or contractor wants payment sent to a financial institution or factor, send a request, signed by a responsible official of the contractor, to the contracting officer. The request must clearly state the new address and the address being superseded. The change is normally effective thirty days after approval by the contracting officer. The approval is with the understanding that no legal obligation is imposed on AAFES for failure to make payment to the new payee/ address. The contractor may revoke such changes in a similar manner.

f. Invoice payment questions should be directed to the paying office designated in order. Contractor should wait at least ten days after payment is due before contacting the paying office. Proof of delivery may be requested by the paying office for FOB Destination contracts if payment of the invoice in question cannot be found. The inquiry concerning unpaid invoice or other payment discrepancy must include the following data:

<u>Unpaid Invoice</u>	<u>Other Payment Discrepancies</u>
Order No.	Order No.
Invoice No.	Invoice No.
Date of Invoice	Charge/Credit Voucher No.
Invoice Amount	Check No.
Ship To Address	

g. Any interest penalties due contractor will be computed according to the Prompt Payment Act, 31 U.S.C. 3901-3906, as amended.

### SECTION 3 – INVOICING AND PAYMENT

- h. A discount for prompt payment can be taken by AAFES if the discount payment is made within the discount period specified. The discount period begins to run on the date of the invoice. Computation for discounts begins with the date of invoice; computation for net payment begins with receipt of a proper invoice as described above.
3. **Proof of Shipment.** Contractor must retain the proof of shipment on FOB origin shipments and proof of delivery on FOB destination shipments for three years after completion of the contract. In the event contractor fails to provide a requested proof of shipment, contractor will be liable for any loss or costs to AAFES. The following is a list of acceptable proof of shipment documents:
- a. Original bill of lading, properly receipted by the carrier for all shipments made via railroad, motor carrier, freight, steamship or air.
  - b. Original post office forms bearing canceled postage, signed and dated by post office indicating number of packages and destination. AAFES does not reimburse "insured" fees.
  - c. Parcel delivery service pickup record-computer manifest, or equivalent, which will be required by AAFES unless exceptions are made in advance by the contracting officer and are signed and dated by driver. Must reference number of packages and destination.

### SECTION 4 – ELECTRONIC DATA INTERCHANGE (EDI)

1. **Definition.** EDI is the electronic, ~~automated exchange of existing~~ business documents between two trading (business) partners. These documents ~~include (but are not limited to)~~ purchase orders, invoices, and ship notices.
2. **EDI Standards.** Currently, AAFES uses three EDI standards: UCS, X12 and VICS. The EDI standard is based on the individual document.
3. **AAFES EDI Goals.**
- a. The AAFES long-term EDI business goal is to convert, where practical, every critical manual process to an electronic process. AAFES intent is to have 100% electronic partnership with all vendors with the following documents:
    - (1) TS 850 (Purchase Order)
    - (2) TS 856 (Advance Ship Notice)
    - (3) TS 810 (Invoice).
- Note:** AAFES has additional EDI trading documents which can be found on the AAFES web page:  
<http://www.aafes.com/EDI/docs/edtsets.htm>.
- b. As EDI capability is key to Supply Chain Integration, AAFES MAY terminate business relationships with vendors who:
    - (1) are EDI capable, but refuse to enter into partnership.
    - (2) are NON-EDI capable, and refuse to seek alternative means to comply with the electronic partnership.
    - (3) are EDI capable, but are found to be non-EDI compliant.
    - (4) consistently fail to meet AAFES EDI business requirement to acknowledge EDI transmissions in 24 hours.
4. **The EDI Process.**
- a. Any vendor not currently on EDI should contact the buyer for referral to an EDI staff member. The EDI staff will provide information on how to start and complete the implementation process.

## **SECTION 4 – ELECTRONIC DATA INTERCHANGE (EDI)**

### **b. Vendor Managed Inventory (VMI) requires EDI capability.**

#### **(1) Vendor Managed Inventory is defined as the exchange of the following EDI documents:**

- (a) TS 852 Product Activity Data (from AAFES to Vendor)**
- (b) TS 855 PO Acknowledgment (from Vendor to AAFES)**
- (c) TS 997 Functional Acknowledgment.**

#### **(2) A VMI partnership is conducted at either store level or Distribution Center level.**

#### **(3) VMI partnerships will exist only if such an agreement is beneficial to both parties.**

#### **(4) Prior to entering into a VMI agreement, AAFES and contractor representatives will discuss/review EDI procedures, item movement, inventories (turn rate and stock to sales ratios) and service levels.**

#### **(5) The AAFES buyer and the contractor must mutually agree on performance standards.**

#### **(6) AAFES will provide product activity and PO numbers on a mutually agreed upon schedule.**

#### **(7) Contractor is responsible for monitoring reported issues, inventory, and fill rates.**

#### **(8) Contractor is responsible for successfully transmitting orders as required.**

#### **(9) EDI documents will be transmitted and acknowledged according to guidelines in either UCS or ANSI X12 as mutually agreed upon.**

#### **(10) AAFES and contractor agree to use reasonable and standard procedures to protect the data and systems from unauthorized access or release. See Privacy Act Requirements.**

#### **(11) Contractor may designate a third party to receive and/or send EDI documents for VMI purposes. [The contractor remains responsible for any acts or omissions of the third party as it relates to order processing, handling, shipping and inventory objectives.]**

#### **(12) The contractor is responsible for all overstocks. If overstock conditions exist, AAFES buyers have the right to return overstocked goods at the contractor's expense.**

#### **(13) Contractor will promptly inform the buyer of any shortages in production, pipeline supply or stock inventories.**

## **SECTION 4A – CONTRACTOR USE OF AAFES' COMPUTER SYSTEM**

### **1. AAFES computer systems are for official AAFES business. AAFES Information Systems (IS) Computer Security Officers are the approving authority and are responsible for establishing new user accounts. The sharing of accounts (USERID) on AAFES computers is prohibited. Violators will lose their accounts.**

### **2. Upon acceptance of a new account, we will provide the contractor a USERID and an initial password. To activate the account, the contractor must log on to the AAFES computer system. The contractor must change the password when accessing the AAFES computer system for the first time. AAFES will delete an account not started within ten business days from the date the USERID and initial password is provided. The system, at fixed intervals, requires the contractor to change their password. Contractor's use of the system is subject to AAFES audit.**

#### **a. Contractor is responsible for the protection of their password. Should a user suspect password compromise, they must change the password immediately and report the suspected compromise to the AAFES Computer Security Officer.**

#### **b. After three consecutive, unsuccessful, login attempts, we will suspend the USERID. The contractor must contact the AAFES Help Desk to remove the suspension.**



## **SECTION 4A – CONTRACTOR USE OF AAFES' COMPUTER SYSTEM**

3. AAFES will validate contractor accounts twice a year. If an account is inactive for six months, the account will be deleted without notice. To reestablish the account, the contractor must complete a new registration. Contractor will promptly notify the AAFES Computer Security Officer of any change in their user's employment status. Contractors no longer needing an account will promptly notify the AAFES Computer Security Officer. Contractor accounts will be deleted upon the completion (expiration) of their contract.
4. Contractor users will not copy software to or from AAFES computers without AAFES written permission. Any misuse of system resources (e.g., games, profit) or circumvention of security mechanisms will result in the suspension and/or deletion of the contractor's account and possible prosecution under the law. AAFES will not tolerate unsuitable language on AAFES computer systems.
5. Contractor access will be limited to data AAFES has approved as necessary to conducting business with AAFES. AAFES operations and/or employees associated with AAFES computer systems will not be liable for the loss of any data resulting from user error, operator error or system malfunctions. AAFES Operations is not obligated to ship tapes or hard copy to contractors.
6. AAFES computer systems are normally available twenty-four hours a day, seven days a week. AAFES cannot guarantee uninterrupted service. We may change or modify any or all system-provided software at anytime and without prior notice to the contractor. AAFES Computer Operations will try to notify users, in advance, of any scheduled outages (e.g., preventive maintenance, equipment shutdowns, etc.).
7. AAFES Help Desk will provide limited user assistance on tasks related to the system software. However, they will not provide formal or time-consuming training.

## **SECTION 4B – PAYMENT by ELECTRONIC FUNDS TRANSFER**

### **1. PAYMENT by ELECTRONIC FUNDS TRANSFER (OCT 1998).**

#### **a. Method of payment.**

(1) All payments by AAFES under this contract shall be made by electronic funds transfer (EFT). The term "EFT" refers to the funds transfer and may also include the payment information transfer.

(2) If AAFES is unable to release payment by EFT, the Contractor agrees to either: (a) accept payment by check or some other mutually agreeable method of payment, or (b) request AAFES to extend the payment due date until such time as AAFES can make payment by EFT.

b. AAFES shall make payment to the Contractor using the EFT information provided by the contractor. In the event the EFT information changes, the Contractor shall be responsible for providing the updated information to AAFES, not less than thirty days prior to the effective date.

c. If the Contractor's EFT information in the AAFES database is incorrect, AAFES need not make payment to the Contractor under this contract until correct EFT information is entered into the AAFES database; and any invoice shall be deemed not to be a proper invoice for the purpose of prompt payment under this contract.

d. If the Contractor has identified multiple payment receiving points in the AAFES database, and the Contractor has not notified AAFES of the payment receiving point applicable to this contract, AAFES shall make payment to the first payment receiving point listed in the AAFES database.

e. The payment or disbursing office shall forward to the Contractor available payment information. AAFES shall send the payment information to the remittance address contained in the AAFES database.

## SECTION 5 – LOGISTICS INFORMATION

A. **SHIPPING TO CONUS/OVERSEAS LOCATIONS.** AAFES will charge the contractor all costs incurred for failure to follow the instructions in the Logistics Information Section. These costs can include transportation, packing, marking and administrative expenses.

### 1. PACKING.

- a. All boxes used for vendor products must be designed and manufactured to ensure safe delivery and comply with all the applicable standards set forth by the National Motor Freight Classification (NMFC). All boxes must have a certificate of the box maker printed on each container.
- b. All vendor shipments must be packaged in AAFES order-designated case quantities. Vendors consolidating shipments into master cartons are not exempt from ensuring all inner pack cases are packaged according to the order and in designated order case quantities.
- c. Package/Box Quality requirements:

#### (1) CONVEYABLE BOX MIN/MAX REQUIREMENTS.

Maximum Size, L x W x H	36 x 24 x 24	36 x 24 x 24	36 x 24 x 24	44 x 24 x 28
Minimum Size, L x W x H	9x9x4	9x9x4	13x9x4	9x9x2
Maximum Weight (pounds)	50	50	50	70
Minimum Weight (pounds)	5	2	3	4

**Note:** Flaps must be glued or securely taped. Liquid must be marked "THIS SIDE UP."

- (2) **DISTRIBUTION CENTER NON-CONVEYABLE BOX.** AAFES prefers that all boxes be conveyable boxes. Packages which fall under the following criteria are not conveyable. This type of packaging should be avoided when possible.

- (a) Protrusions: Package has protrusions, plastic banding or metal banding on the outer packaging material.
  - (b) Exceed Case Size: Dimensions are less than or greater than the conveyable case size requirement.
  - (c) Wrong Package Structure: Bags are not enclosed within a box.
  - (d) Shape: Containers are round or irregular shaped (bucket).
  - (e) Strapping: Items are loosely strapped.
  - (f) Hazardous: Liquids hazardous to associates or conveyors if broken.
  - (g) Weight: Cartons weigh less than or greater than the conveyable case weight.
- d. Multiple AAFES orders must not be consolidated or packaged inside one carton. If packing more than one order line item per carton, mark the carton "REPACK" and enclose a packing list.



## SECTION 5 – LOGISTICS INFORMATION

- e. All hazardous and flammable commodities will be packaged and marked according to State, U.S. Laws and Regulations, International Agreements and Military or Carrier Rules.
- f. Costs required to protect the cargo are the contractor's responsibility.

2. **MARKING.** Marking must be clear and easily readable. Remove or cover markings that are not pertinent. A carton tag or label will be used if printing or stenciling is not practical. Mark each carton as follows:

- a. All cartons must have the following information printed on at least one side of each standard pack shipping container:

- (1) AAFES purchase order number
- (2) Item description
- (3) Color, size, style (if applicable)
- (4) Case pack (number of selling units in carton)
- (5) Selling unit UPC label
- (6) Date of manufacture (month, year) or date of expiration (day, month, year for perishable commodities)
- (7) "REPACK" must be clearly printed on all consolidated cartons.

Repack cartons contain more than one order case pack in a single shipping case. An example of a repack carton is when an order calls for an item to be packed 6, but is shipped in a carton packed 72 (12 x 6). This carton must be marked "REPACK." Each inner carton of 6 must be packaged in a shippable carton meeting above stated NMFC guidelines.

- b. Carton marking information can be printed directly on the corrugated carton or printed on labels and applied to the shipping carton. If stenciling is the only means to mark the cartons, then a minimum 1/4-inch lettering must be used. Exceptions would only pertain to bagged products or non-corrugated packaging (e.g. potting soil, bagged dog food, ladders, etc.). It is permissible to print all carton markings on the shipping label. Refer to Standard Shipping Label Guideline in No. 3.

- c. Hazardous Goods.

- (1) All hazardous and flammable commodities will be marked in accordance with State, U.S. Laws and Regulations, International Agreements and Military or Carrier Rules.

- (2) Contractor will mark all packages/cartons of hazardous/dangerous goods to meet the U.S. Department of Transportation (DOT) and the United Nations (UN) rules and regulations. Classify these goods using the AAFES Hazardous Materials Classification Sheet (AAFES Form 3900-4). Complete all applicable blanks with the required information. Return the completed form, attached to a Material Safety Data Sheet (MSDS), to the contracting officer. Material Safety Data Sheets must contain the proper shipping name, class/division, UN number, packing group (when applicable) and the flash point (for class 3 dangerous goods).

- (3) Packing requirements can be found in the following regulations:

- (a) International Maritime Dangerous Goods (IMDG)
- (b) International Air Transport Association (IATA)
- (c) Code of Federal Regulations (CFR), Title 49, Transportation.

- d. If additional markings are required, they will be shown in the order "MARK FOR" block. Special marking (e.g. fragile, keep refrigerated, date of manufacture, date of expiration, use by date) may be required.

## SECTION 5 – LOGISTICS INFORMATION

3. **AAFES STANDARD SHIPPING LABEL GUIDELINES.** Contractors are required to use a UCC label. The UCC/128 bar code is required along with the advanced shipping notification, preferably, through EDI. The standard shipping label must contain the following information.

Ship From: Vendor's Name  
Address  
City, State, Zip Code

Ship To: AAFES Distribution Center or Facility Name  
Address  
City, State, Zip Code

Mark For: Final receiving location (facility name and seven-digit number is preferred). Include "Mark For" data on all cartons.

AAFES order number (e.g. 69-xxxx-xxxx) must be on each carton.

Ship From:	Vendor Name Vendor Address City, State, Zip	Mark For:	Aberdeen Main Store 104-0505
Ship To:	Dan Daniel Distribution Center 231 Enterprise Drive Newport News, Va. 23603		
Order number:	69-xxxx-xxxx		

a. Items shipped by full pallet or slip-sheet quantities will require one designated shipping label placed on the upper right-hand corner (representing the entire pallet) of the unitized load.

b. Items shipped as individual carton (floor-loaded) quantities and/or mixed on a pallet will require one designated shipping label placed on each carton of merchandise in the shipment.

c. Palletized items or slip-sheet quantities, designed to be delivered intact, will not be broken down in-transit. To ensure these pallets maintain their integrity, place large labels or tags on all four sides stating "DO NOT BREAK DOWN PALLET."

4. **LOADING.** Contractor will load all AAFES shipments at its own expense. AAFES uses all modes of transportation; therefore, loading may involve commercial and/or AAFES equipment.

a. Palletized shipments are preferred and should be used whenever possible. Regardless of FOB terms, do not load multiple purchase orders on one pallet or slip sheet.

b. Pallet standards will meet these minimums:

(1) Grade A four-way, flush nonreversible to be of:

- (a) Good sound material free of knots
- (b) Seven boards on top and five on bottom with three stringers
- (c) No missing or broken boards on top or bottom
- (d) No double stringers or patched boards
- (e) All stringers to be solid, not broken or cracked
- (f) Not required to be bleached or white, but should be clean.

(2) All shipments destined to European Union countries must meet requirements outlined in Section 5, 9c.

## SECTION 5 – LOGISTICS INFORMATION

- c. Contractors may be required to palletize shipment by specific pallet stacking pattern identified in the order special instructions.
- d. Overhang: Merchandise must be stacked on pallets with NO OVERHANG product over the edge of the pallet.
- e. Stack by Item: Merchandise MUST be segregated and stacked on the pallet by item.
- f. Slip Sheets: Slip sheets may be used for additional layers on top of the stack to help maximize the full cubic space of a trailer.
- g. Double Stacks: Pallets may be double-stacked in the trailer, providing the weight and/or height will permit.
- h. Stretch Wrap: All slip sheets and/or pallet merchandise must be stretch-wrapped to help prevent merchandise loss or damage during shipment. Do not put labels on the stretch wrap. Always ensure all labels are securely placed on the inside of the stretch wrap. Stretch wrap must be of top quality, memory, and retention specifications must be 80 gauge, 15" or the equivalent of Mobil, Borden or Lineal brands.
- i. Pallet Exchange: AAFES does not do pallet exchange, except when coordinated in advance with the individual delivery destination. CHEP pallets must be identified on the bill of lading for accountability. Pallets are considered part of the cost-of-goods and charges must be approved by the contracting officer and itemized, with costs, on the invoice and bill of lading.

5. **PALLET PICK PROGRAM.** AAFES has a pallet pick program that lets its large-volume retail stores receive pallet quantities of warehouse-stocked merchandise. Vendors providing merchandise for this operation will be required to identify items for ease of receipt at AAFES DCs.

- a. AAFES orders will specify items that must be shipped in pallet quantities. **Note:** The same vendor stock/style number may be on the order, but listed as a different seven (7) digit CRC number or fifteen (15) digit item number for individual case pack distribution to smaller retail stores.
- b. Items designated in pallet pick quantities must be delivered in the following manner to ensure proper receipt upon delivery to AAFES DCs.

- (1) Pallet each item based on quantity predetermined by the contracting officer.
- (2) Stretch-wrap product to meet above paragraph A.4.h. guidelines.
- (3) To ensure these pallets maintain their integrity, place a large label or tag on all four sides stating: "DO NOT BREAK APART PALLET PICK."
- (4) No changes to the order pallet quantity will be authorized without contracting officer approval.

6. **HAZARDOUS ARTICLES.** Shipments of hazardous/dangerous articles must follow U. S. law and regulations, international agreements and military or carrier rules. AAFES' transportation centers can provide specific instructions for shipments going overseas. Shipments for overseas locations routed through an AAFES-operated Consolidation Center or Distribution Center, or a military terminal, must be marked, packaged and documented for subsequent international shipment.

7. **DOCUMENTATION.** Bills of Lading will be completed according to the rules of National Motor Freight/Uniform Freight Classification. Include the following on all Bills of Lading:

- (1) The AAFES order number, pieces, weight, and cube for each order, and if for export shipment the transportation control number (TCN). For shipments subject to density ratings, such as toys or plastic articles, show the density per cubic foot and total cubic feet. The actual weight of the shipment is the only weight to be shown. Do not use declared density and weight such as provided in NMFC item 156608 among others, "Bumping Clause." Call AAFES Logistics before shipping merchandise with less than 6 lb. per cubic foot density and a volume of more than 300 cubic feet.

## SECTION 5 – LOGISTICS INFORMATION

(2) Carrier delivery appointment required.

(3) Unless palletized shipments are documented with pallet "Said To Contain (STC)" on the freight bill or bill of lading, individual cases must be counted at pick up and transshipment points as well as at the ultimate destination.

(4) FOB Origin freight charges.

(a) Shipments to an APO address via the United States Postal Service must be prepaid, and the freight charges added to the merchandise invoice. Shipments to Distribution Centers, Consolidation Centers and Retail Facilities must be third-party billing to AAFES. Bills of lading should be marked as follows:

"Collect," Third-Party Bill to: AAFES Logistics  
ATTN: LG-T/FBA  
P.O. BOX 660320  
DALLAS TX 75266-0320

Include the AAFES ten-digit order number, pieces, weight and cube for each order on the bill of lading.

(b) Packing Slip/Invoice. Include a packing slip or invoice copy for each order, or part of an order if partial shipment is authorized. Enclose the packing slip or invoice copy in carton number one or in the document envelope if provided. Mark the outside of carton number one, "Packing Slip Enclosed." The invoice copy serves as a packing slip only.

[1] Shipments including more than one order will require more than one invoice. A separate packing slip, corresponding one-to-one for each invoice, is required.

[2] Include the order number and contract line number on the packing slip or invoice copy. The packing slip must include the identifying number on the invoice for matching the invoice to the packing slip.

[3] If shown on the order, include the facility name and building number, on the packing slip.

**8. MOVEMENT INFORMATION.** The following provisions apply to CONUS shipments and CONUS-to-Overseas (see additional provisions in No. 9):

a. Contractor must follow FOB origin routing as shown on the order. If an order is received without routing, or a deviation is required, call AAFES Logistics. AAFES must authorize any deviation to the routing instruction before shipment is made. Unless otherwise directed, call for routing at least three days before the scheduled ship date. No shipments will be sent by small package carrier (i.e., U.S. Mail or FedEx Ground) to an AAFES Consolidation Center.

b. If the FOB terms are changed, the contractor must call AAFES Logistics for routing instructions.

c. FOB origin orders, the contractor will arrange pick up on the scheduled ship date. If the contractor cannot ship on the scheduled ship date, prior approval must be obtained by the contracting officer to avoid carrier charges and order cancellation. AAFES may cancel the order and return shipments made after the scheduled ship date and charge the vendor for the cost of returning or disposing of the shipment, or charge the contractor the cost of expedited handling and transportation to retail stores where applicable.

d. FOB destination orders, the contractor must deliver the shipment on the scheduled required delivery date. If the contractor cannot meet this delivery date, prior approval must be obtained from the contracting officer. AAFES may refuse shipments arriving after the scheduled required delivery date and cancel the order or, if accepted, charge the contractor the costs of expedited handling and transportation to retail stores where applicable.

## SECTION 5 - LOGISTICS INFORMATION

e. **ORDER CONSOLIDATION.** Consolidate FOB origin shipments to the same "Ship To" address on the same ship date on a single bill of lading. Parcel delivery service and U. S. mail shipments are excepted. If the consolidated shipment is more than 5,000 lbs. or 700 cubic feet, call AAFES Logistics to verify routing.

9. **SHIPPING TO OVERSEAS LOCATIONS.** In addition to provisions stated in No. 8, the following will apply. AAFES will charge the contractor for failure to follow these instructions. These costs can include transportation, packaging, marking, handling and administrative expenses.

Contractor must follow FOB origin routing as shown on the order. If an order is received without routing, or a deviation is required, call AAFES Logistics. AAFES must authorize any deviation to the routing instruction before shipment is made. Unless otherwise directed call for routing at least fourteen days before the scheduled ship date.

a. **MARK** all cartons with the order "Mark For" data.

b. **CONTAINER LOADING.** Regardless of FOB terms, AAFES may require the contractor to load ocean containers. The contractor, when loading is complete, will provide container and seal numbers to the AAFES Transportation Center (ATC) at least twenty-four hours prior to vessel cutoff. The contractor is responsible for meeting a vessel cutoff date/time provided by the ATC. The contractor must provide the ATC notice prior to cutoff date/time if it cannot meet this obligation. In the event the contractor does not provide prior notice to the ATC of a failure to meet vessel cutoff date/time, the contractor will be assessed an administrative fee for late van and seal, which will equal an initial charge of \$50 for processing the paperwork and an additional \$50 for every container late within that booking. The contractor will also be charged a "no show" fee of \$250 for every container that does not make the vessel cutoff as AAFES incurs charges from the carrier. The ATC telephone numbers for reporting purposes are (214) 312-3786 and (214) 312-2931.

(1) The contractor may be required to ship to a Distribution Center or Consolidator.

(2) The contractor will ensure special instructions are included on the bill of lading (i.e., calling for delivery appointment, delivery to a specific building number, etc., when shipping via commercial carrier).

c. **PALLET REQUIREMENTS FOR EUROPE.** Shipments on pallets destined for European Union countries must comply with regulations regarding imports (see [www.aafes.com/pa/selling/nmwp\\_update.html](http://www.aafes.com/pa/selling/nmwp_update.html)).

(1) All shipments destined to European Union countries (which include Germany, United Kingdom, Italy, Spain, France, Belgium, Netherlands, Luxembourg, Austria, Portugal, Ireland, Sweden, Switzerland, Denmark, Greece, and Finland), must comply with the **Emergency Measure (2001/219/EC)** adopted by the Commission of the European Communities (CEC) which apply to coniferous (softwoods—pine, spruce, fir) Non Manufactured Wood Packing (NMWP) materials used to ship product. NMWP materials are pallets, crating, boxes or dunnage made of raw wood.

(2) The **Emergency Measure** was adopted by the CEC to stop further spread of a microscopic pinewood nematode to European Union forests that has already caused damage to the forests of Japan and China. This mandate requires all coniferous NMWP materials to be heat treated, or kiln-dried heat treated, and certified by an accredited agency recognized by the American Lumber Standards Committee (ALSC).

(3) To comply, AAFES requires all NMWP materials produced entirely or in part of nonmanufactured softwood species to be constructed from Heat Treated (HT to 56 degrees Centigrade for 30 minutes) coniferous material and certified accordingly by an accredited agency recognized by the American Lumber Standards Committee (ALCS), in accordance with NMWP enforcement regulations dated May 30, 2001.

(4) NMWP made exclusively of hardwood materials, though exempt from the CEC Emergency Measure, must also be marked. The proper mark is "NC - USA."

(5) Markings placed on the NMWP materials must be at least 1.25" in height. On pallets, the markings shall be applied to the stringer or block on opposite sides and ends of the pallet and be contrasting and clearly visible. On crates/containers, the marking shall be applied on a side other than the top or bottom, contrasting and clearly visible.

## SECTION 5 – LOGISTICS INFORMATION

(6) These quality marks and more information regarding the European Emergency Measure can be viewed at the USDA website, <http://www.aphis.usda.gov/ppq/swp/eunmwp.html>.

### 10. SPECIAL PROGRAMS (Crossdock/Vendor Managed Inventory/Standing Carrier, etc.).

#### a. Crossdock Shipments.

- (1) Vendors must not back order any merchandise on crossdock orders. Any item balance unable to be filled will be canceled after initial shipment.
- (2) Vendors must not substitute any merchandise on crossdock orders.
- (3) Vendors agree to no minimum order quantities on crossdock items.
- (4) Vendors must ship orders complete to the extent possible. If a trailer overflow is experienced, all remaining merchandise must be shipped immediately via preferred AAFES Carrier.
- (5) Vendors must give our distribution centers return authorization within two working days to return any merchandise shipped to the DC which was not on the order and/or is in excess of what was ordered.
- (6) Vendors must immediately notify the contracting officer when model numbers or style numbers are changed or when model changes or production problems create shipment delays.
- (7) Crossdock origin vendors will be provided with a Route Guide by AAFES Logistics.

#### b. Vendor Managed Inventory (VMI).

- (1) FOB Origin vendors that are participating in the AAFES Vendor Managed Inventory (VMI) program should follow the routing guide provided by AAFES Logistics.
- (2) Vendors that are participating in the AAFES Vendor Managed Inventory (VMI) program shipping to overseas locations, regardless of FOB terms, should call AAFES Logistics for routing instructions seven days before shipping.

#### c. Standing Carriers routing will be provided to those vendors identified by AAFES Contracting Officer.

#### d. Shipment for Sinai: For Sinai (El-Ghora MFO) regardless of FOB terms, ship to: World Trade Transport Corp. 22 Export Dr. Sterling, VA 22170

A 24-hour appointment is required. Contact World Trade Corp. (See telephone list at the end of Section 5.)

### 11. SHIPMENT VIA AIR.

- a. Commercial: Call AAFES Logistics, Traffic Division for routing.
- b. Military Airlift: The contractor must call the AAFES Transportation Center for air clearance. Do not ship without this clearance. AAFES will give the contractor Military Airlift shipping labels and instructions. Do not ship without Military Airlift labels.

### 12. IMPORTS—SHIPPING FROM OVERSEAS LOCATIONS. (See Sections 5A., 2. and 3.)

- a. MARK all cartons with the order "Mark For" data.
- b. SHIPPING TO DISTRIBUTION CENTERS OR CONSOLIDATORS. The contractor may be required to ship to a Distribution Center or Consolidator.

## SECTION 5 – LOGISTICS INFORMATION

c. **ROUTING.** Contractor must follow FOB Origin routing as shown on order. If an order is received without routing, or a deviation is required, call AAFES Logistics. AAFES must authorize any deviation to the routing instructions before shipment.

d. **LOADING.** Contractor shipments must be loaded by destination, by order number and by style number. For shipments that are not loaded by destination, by order and by style number, a sorting charge may be assessed to the contractor. Sorting charges assessed by an overseas consolidator will be based their local rates.

e. **CONSOLIDATION CENTER CHARGES.** Overseas consolidator will assess Container Freight Station (CFS) and Forwarders Cargo Receipt (FCR) charges based on local trade tariffs in the area of the consolidator.

f. **DOCUMENTATION.**

(1) The type of merchandise being imported can determine the documents required to accompany an import shipment. All or part of the following documents will be required on shipments from overseas locations:

- \* (a) Bill of Lading
- \* (b) Packing List
- \* (c) Commercial Invoice
- \* (d) Country of Origin Declaration
- \*\* (e) Toxic Substance Control Act Certification (TSCA)
- \*\* (f) Trademark Certificate
- \*\* (g) Textile Declaration
- \*\* (h) Textile Export Visa
- \*\* (i) Certificate of Origin
- \*\* (j) Inspection Certificate
- \*\* (k) Container Freight Manifest.

**Note:** \* Required documentation. \*\* Required if applicable.

(2) Due to changing requirements, documentation that is not listed may be requested.

(3) Addresses to where documentation is to be sent will be given to the contractor through the routing instructions on the order.

## SECTION 5 – LOGISTICS INFORMATION

**Figure 1**  
**Sample Carton Markings**

<p>From: Super Products 111 Best Street Best Town CA 96000-0000</p> <p>Ship To: AAFES West Coast DC (WCDC) Bldg 550, 700 E. Roth Rd. Sharpe Army Depot French Camp CA 95231-0000</p>	(Left Side of Carton)
<p>TCN: HXRHAR-4070-5011xxx RDD 092 TP-3 HXYAA AAFES XE2 Honolulu HXRHAR Hawaii DC</p> <p>1 of 12 (if appropriate)</p> <p>Special Markings as directed on the AAFES order and Fragile, etc., as required</p>	(Front of Carton)



## LOGISTICS TELEPHONE NUMBERS AND DISTRIBUTION CENTER ADDRESSES

AAFES Logistics	Customer Service Fleet	214-312-3015
AAFES Logistics	Customer Service <u>Export</u>	214-312-2876
AAFES Logistics	Freight Rate Specialist	214-312-3886
AAFES Logistics	Routing	214-312-2898
AAFES Logistics	for Thule	214-312-3015
AAFES Logistics	for Korea	214-312-2876
Atlantic Logistics	for general cargo	214-312-2915
	for chill or freeze cargo	214-312-2947
AAFES Transship Warehouse	Forest Park, GA, for Honduras, Puerto Rico and Haiti	404-469-5338/5339
AAFES Transship Warehouse	Newport News, VA, for Azores, Saudi Arabia, Kuwait and European Countries	787-888-2858
AAFES Transship Warehouse	West Coast DC for Hawaii, Alaska and Pacific Countries	209-234-3722
Electronic Data Interchange	Support Staff	214-312-2011
Exchange Mail Order Catalog	Vendor Drop Ship Unit	214-312-3827
	Mail Order Catalog	fax 214-312-3775
	Questions About Day-to-Day Operations	214-312-2945
Loss Prevention		800-527-6789
		fax 214-312-3728
World Trade Corp.		703-450-6800
Uniform Code Council, Inc.	UPC Codes	800-543-8137

## DISTRIBUTION CENTER ADDRESSES AND TELEPHONE NUMBERS

Atlanta DC	Customer Service	404-469-5267
	Carrier Appointment Scheduling	404-469-5152
	Ship to: Building 514 Fort Gillem Forest Park, GA 30297	Mail to: P.O. Drawer W-W Forest Park, GA 30297
Atlanta DC Transship Air	Customer Service	404-469-5267
	Carrier Appointment Scheduling	404-469-5152
Mark for: (Store name and facility number)	Ship to: Building 308 Fort Gillem Forest Park, GA 30297	Mail to: P.O. Drawer W-W Forest Park, GA 30297
Atlanta Consolidation Center	Customer Service	404-469-5267
	Carrier Appointment Scheduling	404-469-5152
Mark for: (Store name and facility number)	Ship to: Building 514 (ATTN: Atlanta CC) Fort Gillem Forest Park, GA 30297	Mail to: P.O. Drawer W-W Forest Park, GA 30297
Dan Daniel DC	Customer Service	757-888-2867
	Carrier Appointment Scheduling	757-888-2846
	Ship to: 231 Enterprise Drive Newport News, VA 23603-0666	Mail to: 231 Enterprise Drive Newport News, VA 23603-0666
Dan Daniel Transship	Customer Service	757-888-2867
	Carrier Appointment Scheduling	757-888-2846
Mark for: (Store name and facility number)	Ship to: 233 Enterprise Dr. Newport News, VA. 23603-0666	Mail to: 233 Enterprise Dr. Newport News, VA. 23603-0666
Dan Daniel Air Freight Transship	Customer Service	757-888-2867
	Carrier Appointment Scheduling	757-888-2846
Mark for: (Store name and facility number)	Ship to: 233 Enterprise Dr. Newport News, VA. 23603-0666	Mail to: 233 Enterprise Dr. Newport News, VA. 23603-0666

**DISTRIBUTION CENTER ADDRESSES AND TELEPHONE NUMBERS (Cont'd)**

Waco DC	Customer Service .....	254-666-8505
	Carrier Appointment Scheduling .....	254-666-8540
	Ship to: 1801 Exchange Parkway Waco, TX 76712	Mail to: 1801 Exchange Parkway Waco, TX 76712
West Coast DC	Customer Service .....	209-234-3742
	Carrier Appointment Scheduling .....	209-234-3722
	Carrier Appointment Scheduling .....	fax 209-234-3731
	Ship to: Building 550, 700 East Roth Road Sharpe Army Depot French Camp, CA 95231	Mail to: Building 550, 700 East Roth Road Sharpe Army Depot French Camp, CA 95231
Fashion DF	Carrier Appointment Scheduling .....	757-888-2906
	Ship to: 233 Enterprise Drive Newport News, VA 23603	Mail to: 233 Enterprise Drive Newport News, VA 23603

**OVERSEAS TELEPHONE LIST and DISTRIBUTION CENTER ADDRESSES****MAIL TO**

United Kingdom Distribution Center  
Unit 5075  
APO AE 09461  
Telephone 011-44-1-842-828-484

Giessen Distribution Center  
Unit 20702  
APO AE 09143  
Telephone 011-49-641-407-374 (from USA)  
0641-407-374 (within Germany)

Gruenstadt Food Plant Prod.  
Unit 29804 Box 51  
APO AE 09056  
Telephone 011-49-6359-808101

AAFES Hawaii Retail Whse  
Building 1728, Kuntz Ave.  
Hickam AFB, HI 96853-5297  
Telephone 808-422-6122

Japan Distribution Center  
Unit 5203  
APO AP 96328-5203  
Telephone 011-81-425-52-2511, ext. 3714

Korea Central Retail Whse  
Unit 15500 (Camp Market)  
APO AP 96284-0566  
Telephone 011-82-32-520-6521

Okinawa Retail Whse  
Unit 35163  
APO AP 96378-5163  
Telephone 011-81-98-892-5111

**SHIP TO (OVERSEAS VENDORS ONLY)**

AAFES EDA UKDC  
RAF Feltwell IP 26, YHL  
NR Thetford, Norfolk U.K.

AAFES GDC  
Postfach 11 01 20  
35346 Giessen, Germany

Gruenstadt Food Plant Prod.  
Kirchheimer Str. 104  
67269 Gruenstadt, Germany

AAFES Hawaii Retail Whse  
Building 1728, Kuntz Ave.  
Hickam AFB, HI 96853-5297

Japan Distribution Center  
Building 4084, Yokota Air Base  
Yokota Air Base, Japan

Korea Central Retail Whse  
Bldg T-1715, Camp Market Depot  
Bupyong-Ku, Inchon, Korea

Okinawa Retail Whse  
Building 801, Camp Kinser  
Okinawa, Japan

## SECTION 5A – GENERAL INSTRUCTIONS

- GO0. Pallet Shipments: The type of pallet pattern varies. Vendor NON-BULK shipments, to all distribution centers will be on pallet type in GO5. Vendors will use pallet type GO7 for BULK shipments to distribution centers. BULK pallets (GO7) are used when a case exceeds 50 pounds, 36 inches in length, 23 inches in width and 3 inches in height.
- GO1. RESERVED.
- GO2. Mark "**Aerosol**" in bold lettering not less than 7/16" high on all shipping containers with aerosol dispensers.
- GO3. Partial shipments are authorized.
- GO4. Inspection will be at contractor or subcontractor facility. The contractor will provide, at no cost to AAFES, inspector parking, assistance in moving merchandise, sample unpacking, repacking, adequate inspection space, inspection table(s), sufficient lighting and any special or support equipment (e.g., for product function tests) needed to accomplish the inspection.
- GO5. Use a 40" x 48", four-way entry, flush side, nonreversible pallet. No product overhang is permitted. The maximum height including the pallet, will not exceed 39". Wrap each pallet using one of the following methods: Stretch film, shrink film, or top-capped strapped four ways. Stretch film is preferred. If using the top-capped method, we prefer plastic strapping.
- GO6. RESERVED.
- GO7. Use a 48" x 40" pallet for bulk storage. Maximum height will not exceed 60". No product overhang is permitted. Wrap each pallet using one of the following methods: Stretch film, shrink film, or top-capped strapped four ways. Stretch film is preferred. If using the top-capped method, we prefer plastic strapping.

## SECTION 6 – UNIVERSAL PRODUCT CODE – PRODUCT IDENTIFICATION

1. **UNIVERSAL PRODUCT CODE (UPC) or EUROPEAN ARTICLE NUMBER (EAN).** All merchandise must have a Universal Product Code (UPC) or European Article Number (EAN) on the merchandise.

a. The UPC is a twelve-digit code that identifies the consumer package. The barcode includes the UCC Company Number (a six-digit globally unique number assigned by the UCC to the manufacturer of the product) followed by a five-digit item reference number. The last digit is a Check Digit for the entire ID Number (the number is calculated from the values of the other digits to perform a mathematical check for the accuracy of the encoded message).

b. The EAN is a thirteen-digit code that identifies the consumer package. The barcode consists of a UCC/EAN Company Number (seven digits) formed by combining a UCC/EAN Numbering Organization Prefix (two digits) with a number (five digits) that uniquely identifies an UCC/EAN member Company. The Item Number (next five digits) is a number typically assigned by the supplier to their products (serves as a key to the supplier to retrieve information associated with it). The last digit is a Check Digit for the entire ID number (the number is calculated from the values of the other digits to perform a mathematical check for the accuracy of the encoded message).

2. **AAFES BRAND MERCHANDISE/NON-UNIFORM CODE COUNCIL (UCC) MEMBERS.**

UPCs and/or EANs are required on all items as follows:

- (1) **AAFES Brand Merchandise.** AAFES will assign an UPC to each item.
  - (2) **Non-AAFES Brand Merchandise.** If supplier does not belong to the UCC (Uniform Code Council) or EAN International, then AAFES will assist the contractor in obtaining an UPC upon request.
3. The cost of UCC/EAN codes is the responsibility of the contractor.

## SECTION 6 – UNIVERSAL PRODUCT CODE – PRODUCT IDENTIFICATION

4. The contractor will be liable for costs incurred by AAFES because of merchandise received with erroneous, misapplied or no barcode markings.
5. Refer questions concerning UPC/EAN markings to the contracting officer.
6. The Uniform Code Council (UCC) is the central code management agency. They will assign the manufacturer identification numbers according to UCC rules, but will not assign the item numbers. They do not maintain a listing of the five-digit item code assignments made by each manufacturer. Each manufacturer will assign, control and record its own five-digit item codes with the UPC configuration. Companies interested in obtaining their globally unique UCC Company Number should apply directly to Uniform Code Council, Inc.

Uniform Code Council, Inc.  
7887 Washington Village Dr., Suite 300  
Dayton, OH 45459-8605  
(937) 435-3870  
Website Address: [www.uc-council.org](http://www.uc-council.org)

7. Foreign suppliers may contact the UCC and/or EAN International for barcode guidance.

EAN International  
Rue Royale 29 B-1000  
Brussels, Belgium  
Phone: 322-218-7674  
Website Address: [www.ean-int.org](http://www.ean-int.org)

8. Both the UCC and EAN will provide barcode location guidelines. The guideline defines the recommended areas to place the barcode on consumer packages. Its purpose is to simplify the use of automated checkouts.

**Note:** The above guidelines are valid as of the date published; however, the UCC and EAN International can make changes and/or additions daily. Please refer to their websites for the most current information.

## SECTION 7 – FASHION DISTRIBUTION FACILITY (FDF)

- YO1. **PACKING, MARKING AND SHIPPING MERCHANDISE.** Failure to comply with these requirements will be considered a failure to ship conforming items timely. AAFES may reject the items or lots. AAFES may also take other action, according to contract provisions such as Returns, Non-Waiver of Defaults and Latent Defects. The contractor should refer questions to the contracting officer.
- YO2. **GENERAL REQUIREMENTS.** The contractor will ship all merchandise following the order routing instructions. Contractors making local delivery by truck must call for a delivery time. Multiple shipments are not authorized. The order must be complete in one shipment. The contractor must ship orders for coordinate groupings together. AAFES will charge the contractor for storage charges if incomplete coordinate groupings have to be held. Contractor must contact AAFES Logistics seven (7) business days prior to the order ship date for routing.
- YO3. **MERCHANDISE TRUCKED ON HANGERS.**
  - a. The contractor will ship garments via hanging garment carriers. Each garment will be hung on an appropriate plastic give-away hanger. Hangers must be inserted with the open-mouth hook facing the right sleeve. Rustproof wire hangers can be used if approved by the contracting officer.
  - b. Each garment will be covered with a 3/4 mil poly garment bag. The poly bag will extend at least six inches beyond the bottom of the garment and sufficiently perforate to allow air to escape when garments are packed.

## SECTION 7 – FASHION DISTRIBUTION FACILITY (FDF)

c. Contractor will forward each order/style hanging in size, by sequence, by color (i.e., if the order calls for sizes 8 to 18 in red, white and blue—all size 8 in red will be hung together, followed by all size 8 in white, followed by all size 8 blue; next in line would be size 10 all reds, followed by all white size 10, then all blue size 10, etc.). Men's garments that are sized short, regular and long (i.e., 40 short, 40 regular and 40 long) must be loaded so that we can accomplish removal in size and color sequence. For example, removal will be as follows:

38 short, color blue	38 long, color brown
38 short, color brown	38 long, color beige
38 short, color beige	40 short, color blue
38 regular, color blue	40 short, color brown
38 regular, color brown	40 short, color beige
38 regular, color beige	40 regular, color blue
38 long, color blue	and so on through the complete size scale.

d. The following applies to orders with order numbers beginning with 81. Vendors will forward each order/style hanging first in color sequence and then in size sequence within each color (e.g., if the order calls for sizes 8 to 18 in red, white and blue—all of color red will be hung together and separated by size, followed by all sizes in white, followed by all sizes in blue.). Men's garments that are sized short, regular and long (e.g., 40 short, 40 regular and 40 long) must be loaded in such a manner that removal can be first in color sequence then size sequence.

color blue, 38 short	color blue, 42 long
color blue, 38 regular	color brown, 38 short
color blue, 38 long	color brown, 38 regular
color blue, 40 short	color brown, 38 long
color blue, 40 regular	color brown, 40 short
color blue, 40 long	color brown, 40 regular
color blue, 42 short	color brown, 40 long
color blue, 42 regular	etc.

### YO4. MERCHANDISE SHIPPED IN CARTONS, ON HANGERS.

a. Garments must lay face-up in the carton on the appropriate give-away hanger. Garments must be on the hanger with hanger open-mouth hook facing the right sleeve. A 3/4 mil weight poly garment bag will completely cover each garment.

b. Sizes must be clearly separated in the carton. Colors must be separated within each size in the same sequence.

c. Orders will not be mixed in a carton. A flat-type carton is preferred to a wardrobe carton. Do not describe as hanging garments on the bill of lading. Each carton shipping label must be marked with the line item number from the AAFES order. Only one item will be packed in a carton. Repack is not authorized.

d. Each carton must clearly show the complete order number, number of cartons in the shipment (1 of 20, 2 of 20, etc.) and a two-digit designator for the type of merchandise as follows:

70—Mens Clothing	74—Boys
71—Mens Furnishings and Accessories	75—Girls
72—Ladies Clothing	76—Infants/Toddlers
73—Ladies Lingerie/Accessories	

e. Sizes must be separated within each color in the same sequence.

## SECTION 7 – FASHION DISTRIBUTION FACILITY (FDF)

### YO5. **MERCHANDISE SHIPPED FLATPACK TO REMAIN FLAT PACK (i.e., VENDOR PREPACKS [ONLY WHEN SPECIFICALLY AUTHORIZED BY AAFES]).**

a. Do not mix orders in a carton. Any inner carton must be packed according to the lowest distribution unit (LDU) specified in the order (2/12, 3/12, 4/12, 6/12, 12/12) and one size to an LDU. Colors can be assorted or solid pack. Each carton shipping label must be marked with the line item number from the AAFES order. Only one item will be packed in a carton. Repack is not authorized.

b. Each carton must clearly show the complete order number, number of cartons in the shipment (1 of 20, 2 of 20, etc.) and a two-digit designator for the type of merchandise as follows:

70–Mens Clothing	74–Boys
71–Mens Furnishings and Accessories	75–Girls
72–Ladies Clothing	76–Infants/Toddlers
73–Ladies Lingerie/Accessories	

c. Each carton must be packed with a full size scale assortment as specified in the order. For example, if the order calls for:

30 units of red, small	30 units of blue, large
60 units of red, medium	30 units of white, small
30 units of red, large	60 units of white, medium
30 units of blue, small	30 units of white, large
60 units of blue, medium	

an acceptable prepack carton would contain:

1 red, small	1 blue, large
2 red, medium	1 white, small
1 red, large	2 white, medium
1 blue, small	1 white, large
2 blue medium	

### YO6. **MERCHANDISE SHIPPED FLATPACK TO BE REPACKED.**

a. Do not mix orders in a carton. Sizes must be clearly separated in the carton. Colors must be separated within each size in the same sequence. Each carton shipping label must be marked with the line item number from the AAFES order. Only one item will be packed in a carton. Repack is not authorized.

b. The outside of each carton must clearly show the complete ten-digit order number, number of cartons in the shipment (1 of 20, 2 of 20, etc.), and a two-digit designator for the type of merchandise as follows:

70–Mens Clothing	74–Boys
71–Mens Furnishings and Accessories	75–Girls
72–Ladies Clothing	76–Infants/Toddlers
73–Ladies Lingerie/Accessories	

c. Sizes must be separated within each color in the same sequence.

### YO7. **FOOTWEAR**, unless other instructions accompany the order, must be packed according to the order size scale, in a single carton per size scale. Each carton shipping label must be marked with the line item number from the AAFES order. Only one item will be packed in a carton. Repack is not authorized. The outside of each carton must clearly show the complete ten-digit order number, number of cartons in the shipment (1 of 20, 2 of 20, etc.), and a two-digit designator of 77 – FOOTWEAR.

## SECTION 7 – FASHION DISTRIBUTION FACILITY (FDF)

- YO8. **ANY ADDITIONAL LABOR/MATERIAL COSTS**, incurred by the FDF to correct an order not in compliance with the applicable terms and conditions, will be charged back to the contractor.

## SECTION 8 – FINE JEWELRY

- JO1. **STONES INSPECTION/QUALITY ASSURANCE.** Stones may be removed from their mountings for inspection. We will return stones to the contractor for replacement/resetting. If the item is defective, provisions covering defective items apply. If the item is acceptable, we will pay for packing, remounting and round trip mail charges. Remounting costs are limited to the setting charges in the Cost Analysis Worksheets the contracting officer approved. AAFES may use the Gemological Institute of America (GIA) for inspection or verification inspection service. GIA inspections will be final and binding.
- JO2. **ITEM DESCRIPTION–INVOICE.** Invoice item description must include the **exact size** of the center stone supplied for items with major stones of **.12 carat or larger**. This is a requirement for paper invoices only; the requirement is excluded for EDI invoice transmissions.
- JO3. **REINVOICE INSTRUCTIONS FOR DEFECTIVE/NONCONFORMING ITEMS.** Defective/nonconforming items or lots will be returned to the contractor for repair or replacement. A charge voucher for the defective/nonconforming jewelry will accompany the shipment. Upon return of the repaired/replaced items or lots to AAFES, the contractor will reinvoice using the original order number and referencing the charge voucher number.
- JO4. **PACKING.** In addition to SECTION 5A–GENERAL INSTRUCTIONS, the following applies:
- a. Pack items in boxes suitable for registered mailing. Enclose each item in a plastic bag. The plastic bags will be equal to or better than, Mason Box Company, 2" x 3" or 3" x 3" mini-grip see-through with zipper closure. If more than one style is ordered, like items will be consolidated in a paper envelope marked with the AAFES style number.
  - b. The contractor will ship chained items in plastic bags, with .5" of the chain draped over the outside of the bag to prevent knotting. Price tickets will be attached to the chain and must be readable without removal from the plastic bag.
  - c. The contractor will fasten pierced earrings to cards and place in plastic bags. Price tickets will be attached to the earring post on the back of the card. The ticket must be readable without removal from the plastic bag.
- JO5. **MARKING.** In addition to MARKING in Section 5, the following applies: The order number must be clearly identified on the outside of the shipping box. If more than one order is included, items for each order will be separately packaged in the shipping box and each order number shown on the box. If more than one shipping box is used, each box will be identified in numerical sequence (for example, 1 of 3, 2 of 3, 3 of 3). Replacement shipments will reference the charge voucher number and the original order number.
- JO6. **TAXES/DUTIES/DRAWBACKS.** If, on a retroactive or current basis, the contractor is relieved from payment of any tax or duty included in the contract price, AAFES will be refunded and/or the contract prices correspondingly reduced. The contractor certifies that they have made no drawbacks of duties nor refunds or remission of taxes nor will any be taken on merchandise for AAFES' overseas resale. The contractor will assist AAFES in processing requests for drawbacks or refunds.

## SECTION 9 FOOD AND BEVERAGE

- FO1. Products will originate in an establishment listed in the Directory of Sanitary Approved Food Establishments for Armed Forces Procurement, or from an establishment exempt in accordance with Army Regulation 40-657/Air Force Regulation 48-116, Veterinary Food Inspection. The directory is published by the US Army Veterinary Command (still Ft. Sam Houston, TX).
- FO2. Products shipped must be from the latest date of pack. However, seasonally packed products will not have been in storage more than twelve months. Identify food in Groups I, III, V, VI and IX, with a readable date. Use either date of production, date of processing/pasteurizing or a "use by" or "pick up" date. For shelf-stable items, we prefer open-dating, but coding is acceptable. Contractors who do not use open-dating will provide the contracting officer a written code "key" explaining the actual date of production or processing within 30 days following the initial order.
- FO3. Additional delivery charges, owing to Saturday, Sunday, and holiday overtime rates, are reimbursable if incurred following delivery instructions.
- FO4. Ship and store under 70° Fahrenheit (21.1° Celsius). Protect from heat.
- FO5. Ship and store under refrigeration at 32° to 40° Fahrenheit (0° to 4.4° Celsius). Chill.
- FO6. Ship and store under refrigeration at 0° Fahrenheit (-17.7° Celsius) or lower. Frozen.
- FO7. The Federal Republic of Germany requires certification on all meats, meat by-products, poultry and poultry products. This certification attests that the products have been placed in cans or hermetically sealed packages, then processed at 100° Celsius (212° Fahrenheit). The contractor will provide the contracting officer a copy of this certificate, if requested.
- FO8. Federal Republic of Germany, Okinawa, Korea, Japan and Honduras import certification requirements for meats, meat by-products, poultry and poultry products for military shipment differ from those for commercial shipments. Required certification is normally provided by in-plant USDA personnel when containers are source-loaded. Items sent to port for container loading may be certified by military veterinary personnel. A copy of the certificate must accompany the shipment when shipped to the AAFES consolidation facility. The original certificate must be sent via Fed Ex to:
- Army Air Force Exchange Service  
ATTN: LG-T (Export Supervisor)  
3911 S. Walton Walker Blvd  
Dallas, TX 75236
- F09. Europe wine procurement must be in accordance with EU labeling regulations. New EU wine labeling regulations, as of 1 Jan 2003, require specific information such as alcoholic strength, lot number or the name of the bottler, the use of certain optional terms dealing with production methods, traditional expressions, and regulation of the names of the vineyard or the vintage year to include the language in which the terms are used. "Vintage" is for example only reserved as regards its use for liqueur wines, but there is no restriction on its use for ordinary still wines. The rules distinguish between traditional expressions that fulfil a set of specifications and traditional expressions relating a wine to a certain geographical indication. Provisions applying to third country wines marketed in the EU are also outlined. Ref: EU Labeling Commission Reg, Title V, CH II, Annexes VII, VIII.
- F11. Items normally shipped at room temperature should be protected from freezing.



## SECTION 10 – EXCHANGE CATALOG

### MO1. DELIVERY ORDERS.

- a. Individual orders will be sent via EDI, an AAFES Exchange Catalog Form 4150-119(m), Automated Catalog System (ACS) Shipping Ticket, or will be made available via a web-based application called ECOMS (Exchange Catalog Order Management System).
- b. The contractor agrees to process orders for shipment immediately upon receipt of the order and ship within negotiated time frames; i.e., 3 calendar days, 14 calendar days, etc. Negotiated shipment time frame is on the Final Selection/Procurement Data Log (Form 4500-24). If the contractor cannot ship within the negotiated time frames, the contractor must provide the AAFES' Drop Ship Management Team (DSMT) with an explanation for delay, along with a firm ship date. The DSMT has the option to either cancel the order or accept the revised ship date. If the DSMT requests cancellation of the order, the contractor will confirm cancellation of the order in their system via phone, e-mail: [dropship@aafes.com](mailto:dropship@aafes.com) or ECOMS within 24 hours. If the contractor does not confirm the cancellation within 24 hours, the order will be considered cancelled and AAFES will not be responsible for any shipments made against the order.
- c. The contractor will accept orders from the DSMT via phone, fax or e-mail.

### MO2. SHIPPING/PACKING INSTRUCTIONS.

- a. Orders shipping to a CONUS address may be shipped via UPS, Fedex or the U.S. Postal Service. Contractor will provide tracking numbers to the DSMT for UPS and Fedex shipments.
- b. If the contractor receives orders via ECOMS, a copy of the packing slip will be included with each shipment.
- c. All merchandise going to an APO/FPO address must be mailed via U.S. Postal Service (USPS). The contractor will mail merchandise, through the USPS, via Parcel Post, Air or Registered to the recipient address shown on the shipping portion of the ACS Shipping Ticket, the EDI PO or on the ECOMS packing slip.

Individual orders valued over \$50.00 will be insured with the Post Office for the dollar value shown on the shipping ticket. Orders addressed to the State Department at Zip Code 20520 or 20521 will not be sent insured or registered mail. Place the Address and Customs portion of the Shipping Ticket on each parcel.

- d. If shipping terms are origin versus destination, an original proof of shipment is required for each order sent insured or registered mail. Use Post Office Form 3800, 3806, 3813-P, or 3877 for proof of shipment. A postal official, where the parcels are mailed, must stamp and sign the form. The form must include the following information.

- (1) Number of Articles – Insured or Registered Number, if any.
- (2) The mailing address shown on the shipping ticket, EDI transmission or ECOMS packing slip.
- (3) Postage – Amount Paid.
- (4) Fee – Amount Paid.
- (5) Remarks – Order/Purchase Order Number shown on the shipping ticket, the EDI transmission or ECOMS packing slip.

- e. The shipping portion of the Shipping Ticket must include the date mailed and any insured or registered number. Please sort Shipping Tickets in the same sequence as listed on the proof of shipment.

Mail proof of shipment to:

Exchange Catalog  
ATTN: CYR-EC2 Drop Ship Management  
PO Box 660211  
Dallas TX 75266-0211

## SECTION 10 – EXCHANGE CATALOG

- f. All merchandise must conform to the applicable packing requirements in the current Domestic Mail Manual C010.2.0. We will charge the contractor for damaged merchandise resulting from a nonconformity with packing requirements. Packing is also subject to contracting officer approval. If approved packing is not sufficient to prevent damage, the contracting officer may withdraw approval and require the contractor to provide acceptable packing.
- MO3. **INVOICING.** See Section 3–Invoicing and Payment.
- MO4. **RETURNS.** AAFES' policy of Satisfaction Guaranteed backs items sold through the Exchange Catalog Program. As a condition of selling items through the Exchange Catalog, the contractor will accept returns from the Exchange Catalog unless a subsequent agreement is negotiated. The contractor will credit AAFES with the AAFES purchase price for returned goods.
- MO5. **SPECIAL INSTRUCTIONS.**
- a. Partial shipment is not authorized without the prior written approval of the contracting officer.
  - b. Each week, the contractor will receive an open order list from the Exchange Catalog. The contractor will update the list with the date shipped and invoice number. For orders being held, the contractor will provide the reason for holding and the scheduled ship date. The contractor will return the updated report within forty-eight hours of receipt. NOTE: Orders will not drop from the open order report until the invoice is received and processed for payment.
- MO6. **WARRANTY OF AVAILABILITY.** Contractor warrants that their items as listed in the current Exchange Catalog will be available, without change, and in the quantities ordered. Failure will make the contractor liable for costs incurred in getting a substitute item of equal or better value or, in the alternative, for lost revenues. Lost revenues will be the difference between the contract purchase price and the Exchange Catalog sell price and will include administrative costs. Administrative costs include, but are not limited to, catalog costs, hourly costs to tell customers of items not available, etc. This warranty is in addition to any other provisions in this contract. The contracting officer must approve any change to the items sold hereunder.
- MO7. **VENDOR SHIPMENTS TO AAFES WAREHOUSES.** Contractor will ensure that merchandise shipped to AAFES catalog distribution warehouses will be individually prepackaged to the extent possible. Packing must conform to the applicable packing requirements in the current Domestic Mail Manual C010.2.0. All apparel items must be individually poly-bagged to avoid damage. The contractor may be charged for damaged merchandise resulting from a nonconformity with packing requirements.

## SECTION 11 – RETAIL MERCHANDISE

- CO1. Merchandise must be properly labeled before shipment. Label size, fabric content and type of cleaning.
- CO2. Pins and metal parts used on price, size tag and on garments and footwear must be rustproof and not tarnishable.
- CO3. Clothing must bear the brand name or manufacturer's label.
- CO4. Merchandise will be supplied according to sizes, styles, and colors specified. Substitutions are not authorized without prior approval of the contracting officer.
- CO5. Preticket according to Section 12.
- CO6. Seed price tickets according to Section 12.
- CO7. Case only price marking according to Section 12.
- CO8. Piece Goods: Each bolt must be poly wrapped. Burlap wraps for drapery and upholstery fabric is acceptable.

## SECTION 11 – RETAIL MERCHANDISE

- CO9. Care Labels: The contractor will label wearing apparel and piece goods with regular care information according to the Federal Trade Commission's Care Labeling Rule.
- C10. Use three-digit age code for Price Marking (Section 12).
- C11. Pack lamp shade and lamp base together in one box. Tag shade and base with style number. Mark AAFES stock numbers on the outer box.
- C12. Pack lamp shade and lamp base separately. Tag the shades and lamps with style numbers. Mark AAFES stock numbers on outer boxes. Pack and ship shades and bases in pairs or multiple pairs. Mark the lamp shades shipping container and bill of lading, "Lamp Shades - Use as Top Freight."
- C13. Mail pack each item within the master case pack.
- C14. Notify the contracting officer if individual item weight and dimensions have changed from those originally specified to AAFES Direct Marketing.
- C15. Apply UPCs according to Section 6.

## SECTION 11A – UNIFORMS AND INSIGNIA

### UO1. UNIFORMS.

a. Fabric and completed garments will be manufactured in accordance with U.S. Army or U.S. Air Force specifications as outlined in current applicable military specifications and Government regulations as to fabric construction, fabric shade, garment design and garment fabrication. Tailoring and construction will be equal to or better than applicable military specifications. There will be no defects adversely affecting salability from a consumer viewpoint as determined by AAFES.

b. Contractor will attach the label reflecting contractor's certificate number and applicable specification required by military regulations to each article delivered against the contract.

- UO2. **INSIGNIA.** Contractor warrants that they have a certificate of authority from the DEPARTMENT OF THE ARMY or the DEPARTMENT OF THE AIR FORCE to manufacture the items ordered, or that they will supply only such products of a manufacturer who has such certificate(s).

## SECTION 12 – TRADITIONAL PRICE MARKING

- 1. If AAFES requires a vendor to price ticket merchandise in the traditional manner, it will be in one of the following formats. The only difference between these two formats is the age code. The second format allows for three digits instead of a two-digit code.

	For 2-Digits	For 3 Digits
Line Number (Optional)	(e.g. 2002 1st quarter) Age Code is 21	(e.g. 2002 Dec) Age Code is 212
AAFES Item Number (will be 9, 11 or 15 digits)		
Retail Dept	Sell Price Code (RDC)	

## **SECTION 12 – TRADITIONAL PRICE MARKING**

### **2. The age code may have two or three digits.**

a. In a two-digit format, the first digit represents the calendar year, the second the calendar quarter. The contractor will code merchandise according to the quarter receipt will be made. First quarter is January-March. Second quarter is April-June. Third quarter is July-September. Fourth quarter is October-December. Age code 31 is used for estimated receipt dates during the 1st quarter of 2003. Age code 32 is used for estimated receipt dates during the second quarter of 2003.

b. In a three-digit format, the first digit represents the calendar year and the second and third, the calendar month. Age code 312 is used if the estimated receipt date is December 2003. Age code 307 is used if the estimated receipt date is July 2003.

### **3. DEFINITIONS.**

a. Preticketing. The contractor is to attach price tickets to each unit of sale.

b. Seeding. Price tickets, in a quantity equal to the units of sale in each case plus 5 percent, will be placed in a clear plastic price-ticket envelope, and attached to each case. If a ticket envelope is not available, place tickets in a plain envelope with "Price Tickets" stamped or printed on the envelope. Attach the envelopes to each case. Apply one ticket to the upper right corner of each carton.

c. Case Only Price Marking. The price label will be placed on the end of each carton in the upper right corner. Inner packed items will not be preticketed or seeded.

### **4. Price tickets may be gummed or pressure-sensitive labels, pin tickets or string tags, but they must be appropriate for the merchandise they are used on. Do not cover the UPC. Price tickets will be affixed to the merchandise in a manner not to detract from salability, and will not damage the item when removed. Price tickets will be according to the following general guidelines.**

a. Handwritten tickets are not acceptable.

b. Gummed or pressure-sensitive labels should be used on packaged or boxed items. The price label should be placed in the upper right corner of the box end panel. Tickets should not cover product information.

c. Do not use pin tickets on items that are easily torn or scratched.

**AAFES Retail Agreement #** \_\_\_\_\_

**Vendor Procurement #** \_\_\_\_\_

**Vendor Payment #** \_\_\_\_\_

This agreement will become effective on \_\_\_\_\_ or the date signed whichever is later and will end \_\_\_\_\_ unless sooner terminated. Agreement is extended to end: \_\_\_\_\_

\*\*\*\* **FOR AAFES INTERNAL USE ONLY – This agreement has an estimated value of:** \_\_\_\_\_ \*\*\*\*

New Vendor ☐ Update Existing Vendor ☐ European Addendum Applies ☐ Commodity \_\_\_\_\_

**VENDOR INFORMATION**

**\*\*This form must be completed on each line that applies\*\***  
**Please Type or Print and Attach Blank Letterhead and Company Invoice**

Vendor Name: \_\_\_\_\_ Attention: \_\_\_\_\_  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Country: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_  
Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
Toll Free Number: \_\_\_\_\_ Email: \_\_\_\_\_  
Federal Tax Identification Number \_\_\_\_\_ Duns Number \_\_\_\_\_

Vendor agrees to receive orders and send advanced ship notices (ASNs) and invoices via EDI unless specifically waived by AAFES.

The address above can be used for mailing: Purchase Order ☐ Payment ☐ Pricing Tickets ☐

\*Please attach on a separate piece of paper any additional addresses.

**OFFEROR REPRESENTS (Check appropriate boxes):**

Business Type: Manufacturing ☐ Distribution/Wholesale ☐ Carrier ☐ Government ☐ Other ☐

That it ☐ is ☐ is not a small business.

That it ☐ is ☐ is not a women-owned business. (See definition below)

\*The term "women-owned business" means a business is at least 51% owned by a woman or women who also control and operate it. "Control" in this context means exercising the power to make policy decisions. "Operate" in this context means being actively involved in the day-to-day management.

That it ☐ is ☐ is not a minority business enterprise. (See definition below)

\*The term "minority business" means a business concern (1) which is at least 51% owned by minority group members; or, in the case of any publicly owned business, at least 51% of the stock of which is owned by one or more minority group members, and (2) whose management and daily business operations are controlled by one or more such minority group members.

Black-American ☐ Hispanic-American ☐ Asian-American ☐ Native-American ☐

That an owner or officer of the firm or the firm or a related firm ☐ has ☐ has not been convicted of a felony related to a business transaction.

That an owner or officer of the firm or the firm or a related firm ☐ has ☐ has not been suspended or debarred.

**VENDOR SERVICING ORGANIZATION (if applicable)**

Company Name \_\_\_\_\_ Attention: \_\_\_\_\_  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Country: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_  
Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
Toll Free Number: \_\_\_\_\_ Email: \_\_\_\_\_

\*Attach details of program, to include visitation schedules and services offered. Programs that are accepted will become part of this agreement.

**VENDOR TERMS**

Payment Terms: Cash Discount—Enter as a whole percent \_\_\_\_\_ % days available \_\_\_\_\_ Net payment days available \_\_\_\_\_ EOM \_\_\_\_\_

Anticipation: Yes ☐ No ☐ Unknown ☐ Prime ☐

Purchase order minimum: None \_\_\_\_\_ Pounds \_\_\_\_\_ Cases \_\_\_\_\_ Units \_\_\_\_\_ Dollars \_\_\_\_\_

Shipping Terms: Freight ☐ FOB Origin ☐ FOB Destination ☐

Contractor will ship within \_\_\_\_\_ days after receipt of order or ship date on purchase order, whichever is later.

List all ship points (City, State, Country with Zip/Postal Code): \_\_\_\_\_

## COMPLIANCE FOR AAFES RETAIL VENDORS

The AAFES Suppliers Requirements are located on the Internet at [www.aafes.com/pa/selling/index.html](http://www.aafes.com/pa/selling/index.html). Sections 1, 3, 4, 4A, 4B, 5 and 6 apply to all vendors. In addition, the sections and paragraphs below are also made a part of this agreement. Vendor has read and agrees to comply with the provisions as outlined.

- |   |   |
|---|---|
| <input type="checkbox"/> Section 1A, Paragraphs: _____<br><input type="checkbox"/> Section 5A, General Instruction: _____<br><input type="checkbox"/> Section 8, Fine Jewelry: _____<br><input type="checkbox"/> Section 10, Exchange Mail Order Catalog: _____ | <input type="checkbox"/> Section 2, Tax and Drawback: _____<br><input type="checkbox"/> Section 7, Fashion Distribution Facility: _____<br><input type="checkbox"/> Section 9, Food and Beverage: _____<br><input type="checkbox"/> Section 11, Retail Merchandise: _____ |
|---|---|

### STANDARD ORDER ALLOWANCES

Allowance Type	Discount %	Dollars	Special Instructions	How Paid			When Paid			
				OI	CM	CK	EI	Q	S	A
DEFECTIVE/RETURNED MERCHANDISE										
DISTRIBUTION										
TRADE										
PROMOTIONAL										
COOP ADVERTISING										
BUSINESS TV/ AAFES RADIO										
DISPLAY/END CAP										
EARLY BUY										
VOLUME REBATE										
TRUCKLOAD										
SPECIAL										
CUSTOMER INCENTIVE										
NEW STORE/ WAREHOUSE										
QUANTITY/TRUCKLOAD										
COSMETIC										
NEW ITEM INTRO										
ELECTRONIC DATA INTERCHANGE										
ELECTRONIC FUNDS TRANSFER										
OTHER										

OI – Off Invoice, CM – Credit Memo, CK – Check, EI – Each Invoice, Q – Quarterly, S – Semi Annual, A – Annual

### RETURN POLICY

Vendor must check options below

☐ **Option 1 - Defective/Returned Merchandise Allowance:** Vendor will allow the defective/returned merchandise allowance as listed in the STANDARD ORDER ALLOWANCES section above. The percentage must be adequate to cover processing costs.

- ☐ AAFES facility may dispose of returned merchandise through salvage outlets.
- ☐ AAFES facility must destroy returned merchandise.
- ☐ Returned merchandise will be sent from AAFES facility to the vendor. If vendor requests the returned merchandise be sent to them, they will be charged cost plus a 10% handling charge and return freight charges billed to vendor.

☐ **Option 2 – Defective/Returned Merchandise: Return Merchandise to Vendor:**

Defective/Returned merchandise will be sent from AAFES facility to vendor. If vendor requests the returned merchandise be sent to them they will be charged cost plus a 10% handling charge and the merchandise will be shipped with return freight charges billed back to vendor. Permanent Return Authorization Number \_\_\_\_\_, if required for shipment. If automatic return is not possible, an 800 number or e-mail address must be provided to secure Return Authorization over the phone.

Phone Number \_\_\_\_\_ Toll Free Number: \_\_\_\_\_  
 Email: \_\_\_\_\_



**ADDRESS TO SHIP RETURNS:**

Vendor Name: \_\_\_\_\_ Attention: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_

Country: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_

---

**SIGNATURES**\_\_\_\_\_  
Vendor Signature                      Date\_\_\_\_\_  
Contracting Officer Signature                      Date\_\_\_\_\_  
Printed Name                      Title\_\_\_\_\_  
Printed Name                      COC

1. **LEGAL STATUS (Aug 92).** The Army and Air Force Exchange Service, including its activities, offices, individual exchanges and oversea exchange systems, is an integral part of the Departments of the Army and Air Force and is a Non-appropriated fund instrumentality of the United States Government. AAFES contracts are United States contracts; however, they do not obligate appropriated funds of the United States except for a judgment or a compromise settlement in suits brought under the provisions of the Contract Disputes Act (41 USC 601-613), in which event AAFES will reimburse the United States Government (31 USC 1304[c]). (Note: AAFES procurement policy is established by the Department of Defense and the Army and Air Force DOD Directive 4105.67, AR 60-10/AFJI 34-211, and AR 60-20/AFJI 34-210. The Armed Services Procurement Act and Federal Acquisition Regulation do not apply to AAFES due to its status as a non-appropriated fund instrumentality.)
2. **AUTHORITY TO BIND (Nov 95).**
  - a. "Contracting Officer" means a person authorized by the Commander, AAFES to execute and administer contracts, purchase orders, or other agreements on behalf of AAFES. Only contracting officers may waive or change contract terms; impose additional contract requirements; issue cure, show-cause and termination notices; issue claims against contractors, and issue final decisions on contractor claims.
  - b. The contracting officer may authorize other AAFES and government officials to perform actions of an administrative nature such as conducting inspection and audits; placing orders against existing contracts; forwarding requests for contract changes to the contracting officer; collecting contract payments, and processing routine documents. The officials are not contracting officers, as defined in a. above.
  - c. AAFES has no obligation to recognize or accept waivers or changes to this contract that result from the actions of officials other than the contracting officer. The contracting officer may deny claims based on such actions. Contractors' should refer questions concerning the authority of other AAFES or governments officials to the contracting officer.
3. **AUDIT (Nov 95).** This clause is applicable if the contract amount is more than \$10,000 and entered into by negotiation. The contractor agrees that the contracting officer or contracting officer authorized representative will have the right to examine and audit the books and records of the contractor directly pertaining to the contract. Examination and audit may be anytime during the contract period and up to three years after contract final payment. The contractor agrees to include this clause in all subcontracts here under which exceed \$10,000.
4. **PROCUREMENT INTEGRITY (Nov 95).**
  - a. By submission of an offer or performance of this contract, the offeror or contractor certifies with respect to this AAFES purchase action:
    - (1) that no discussion, offer or promise of future employment or business opportunity has nor will be made to AAFES civilian or military personnel who personally and substantially participated in the purchase action;
    - (2) that no offer, promise or gift of any gratuity, entertainment, money, or other thing of value has nor will be made to any AAFES civilian or military personnel or any other employee of the United States Government or member of their family or household;
    - (3) that no information proprietary to other offerors or other purchasing information (offeror list, prices offered, technical evaluations or rankings, etc.) is sought or obtained until it is available to the public under AAFES procedures.



- (4) That no person or selling agency has been employed or retained to secure this contract for a commission, percentage, brokerage or contingent fee except bona fide employees or bona fide established commercial selling agencies retained by the contractor for the purpose of securing business.
- b. Contractor certifies that no gratuities (entertainment, gifts, money, kickbacks or other thing of value) were nor will be solicited or accepted by the contractor, or any contractor representative, from any subcontractor or subcontractor representative, for the purpose of obtaining or rewarding favorable treatment in connection with this contract or any subcontract under it.
- c. Contractor will report in writing to the Director, Loss Prevention Division, any possible violation of this clause when there are reasonable grounds to believe a violation may have occurred. The contractor will cooperate fully with any federal agency investigation of a possible violation of this clause.
- d. For breach of any of these certifications, AAFES may terminate this contract for default, and/or deduct from amounts due under this or other contracts, or charge contractor for, the total value of any contingent fee, gratuity or kickback or other loss to AAFES arising out of the breach.
- 5. ADVERTISEMENTS (Nov 95).** The contractor will not represent in any manner, expressly or by implication, that products purchased under this contract are approved or endorsed by any element of the United States Government. Any contractor advertisement, including cents off coupons, which refers to AAFES will contain a statement that AAFES neither paid nor sponsored the advertisement in whole or in part.
- 6. INDEMNIFY AND HOLD HARMLESS (Nov 96).**
- a. The contractor will indemnify, hold harmless AAFES and all other United States agencies and instrumentalities, their agents, representatives, employees and customers from any and all suits, judgments and claims, including those established by or pursuant to court decisions, international agreements, or duly promulgated United States government regulations and all charges and expenses incident thereto which arise out of the following.
- (1) The alleged or established violation or infringement of any patent, copyright or trademark rights asserted by any third party regarding items or services provided by contractor.
- (2) The loss, damage or injury alleged or established to have arisen out of or in connection with items or services provided by contractor, to the extent contractor can be held liable for such loss, damage, or injury in accordance with applicable federal and state law.
- (3) Contractor is hereby notified that injury and damage claims against AAFES based on alleged negligence must be brought under applicable federal law, including the Federal Tort Claims Act. AAFES will give contractor notice of such claims relating to items or services provided by contractor. In the event of litigation, AAFES is defended by the Department of Justice.
- 7. ASSIGNMENT (Nov 95).** The Assignment of Claims Acts, 31 U.S.C 3272 and 41 U.S.C. 15, are not applicable to amounts due under AAFES contracts. The contractor may not assign its rights or delegate its obligations under this contract. AAFES will not consent to, nor recognize, any purported assignment. The contractor may request the contracting officers' permission to have contract payments forwarded to a third party, according to Invoicing and Payment procedures.
- 8. CONTRACTOR PERSONNEL AND REPRESENTATIVES (Nov 95).**
- a. The contractor will discontinue using any individual in exchange facilities upon contracting officers' written notice that the individual is not acceptable for performance under the contract. Contractor will not use any such person to perform other AAFES contracts without the prior written consent of the contracting officer.
- b. The contractor will not employ any individual to work in exchange facilities whom we have determined unacceptable under any other AAFES contract without the prior written consent of the contracting officer.
- c. Contractor personnel will abide by applicable regulations and directives and conduct themselves so as not to reflect discredit on AAFES.
- d. The contractor will not represent itself to be an agent or representative of AAFES, or any other agency or instrumentality of the United States.
- 9. TERMINATION BY NOTICE (RETAIL) (Jun 96).** Either party may terminate any and all performance under an individual purchase order, provided such notice is given not less than ten (10) calendar days before performance is required. Notice must be given in writing, to include electronic mail.
- 10. DISPUTES (Jan 94).**
- a. Each contract resulting from, or referencing, this agreement is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613). Except as provided in the Act, all disputes arising under or relating to this contract shall be resolved under this clause.

- b. "Claim" as used in this clause means a written demand or written assertion by one of the contracting parties seeking the payment of money in a sum certain or other relief arising under or relating to this contract. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Contract Disputes Act.
- c. A claim by the contractor shall be made in writing and submitted to the contracting officer for a written decision. A claim by AAFES against the contractor shall be made by a written decision by the contracting officer.
- d. For contractor claims exceeding \$100,000, the contractor shall submit with the claim a signed certification that:
  - (1) The claim is made in good faith;
  - (2) Supporting data are accurate and complete to the best of the contractor's knowledge and belief, and
  - (3) The amount requested accurately reflects the contract adjustment for which the contractor believes AAFES is liable.
- e. The claim must be executed by an individual with authority to bind the contractor.
- f. The contracting officer will mail, or otherwise furnish, a written decision in response to a contractor claim within the time periods specified by law. Such decision will be final and conclusive unless:
  - (1) Within 90 calendar days from the date of contractor's receipt of the final decision, the contractor appeals the decision to the Armed Services Board of Contract Appeals (ASBCA), or
  - (2) Within 12 months from the date of contractor's receipt of the final decision, the contractor brings an action in the United States Court of Federal Claims.
- g. Pending final resolution on any request for relief, claim, appeal, or action arising under or relating to this contract, contractor will proceed diligently with the performance of this contract and will comply with the contracting officer's decisions.
- h. Submission of false claims to AAFES is a violation of federal law and may result in civil and/or criminal penalties. If contractor cannot support all or part of its claim as a result of fraud or misrepresentation of fact, then in addition to other remedies or penalties provided for by law, contractor will pay AAFES an amount equal to the unsupported part of the claim and all AAFES' costs attributable to reviewing that part of the claim.

#### **11. EQUAL EMPLOYMENT OPPORTUNITY (OCT 98).**

- a. The contractor agrees to comply with regulations of the Department of Labor contained in Title 41, Code of Federal Regulations, Chapter 60, which are incorporated by reference.
- b. Contracts or orders in the amount of \$10,000,000 or more will not be made unless the contractor, and each first-tier subcontractor which will receive a subcontract of \$10,000,000 or more, are found on the basis of a review to be in compliance with the Equal Employment Opportunity regulations of the Department of Labor.
- c. Additional information can be found on their web site: <http://www.eeoc.gov/policy/index.html>.
- d. EEO posters are available at the following Department of Labor Web sites:

##### ***DOL Poster page***

<http://www.dol.gov/osbp/sbrefa/poster/main.htm>

##### ***EEO Poster in Spanish (for black and white printer)***

<http://www.dol.gov/esa/regs/compliance/posters/pdf/eeospbw.pdf>

##### ***EEO Poster in English (for black and white printer)***

<http://www.dol.gov/esa/regs/compliance/posters/pdf/eeobw.pdf>

##### ***EEO Poster in English (for color printer)***

<http://www.dol.gov/esa/regs/compliance/posters/pdf/T975epos.pdf>

##### ***EEO Poster in Spanish (for color printer)***

<http://www.dol.gov/esa/regs/compliance/posters/pdf/eeosp.pdf>

- 12. AFFIRMATIVE ACTION FOR DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (Oct 96).** If orders during a calendar year equal or exceed \$10,000 and is not otherwise exempt, the contractor agrees to comply with the regulations of the Department of Labor and the Office of Federal Contract Compliance Program, and the Affirmative Action clause as set out in Title 41, Code of Federal Regulations, Part 60-250, which are incorporated herein by reference.

- 13. AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS (Oct 96).** If orders during a calendar year equal or exceed \$2,500 and is not otherwise exempt, the contractor agrees to comply with the regulations of the Department of Labor and the Affirmative Action Clause as set out in Title 41, Code of Federal Regulations, Part 60-741, which are incorporated herein by reference.
- 14. CONVICT LABOR (May 89).** In connection with the performance of work under this contract, the contractor agrees not to employ any person, undergoing sentence of imprisonment except as provided by Public Law 89-176, September 10, 1965 (18 USC 4082[c][2] and Executive Order 11755, December 29, 1973.
- 15. TAXES (May 89).** The contractor assumes complete and sole liability for all federal, state and local taxes as applicable to the property, income and transactions of the contractor. The prices charged AAFES will be deemed to include all applicable taxes. The prices charged will not include any amount for taxes that are not applicable:
- Because of AAFES' legal status as an instrumentality of the United States Government.
  - Because of AAFES' immunity from direct state or local taxation; or
  - Because of federal, state or local tax exemptions for sales to the Federal Government; or
  - Otherwise, such as items purchased for export. It will be the sole responsibility of the contractor to explain, to the reasonable satisfaction of the contracting officer, the applicability and amount of any taxes that they have included in the prices charged. The contracting officer, upon request, will furnish additional documentation to support tax exemptions if required by an appropriate tax authority.
  - Distilled spirits contractors, by shipping each order, is certifying that prices charged AAFES do not include any direct or indirect state taxes.
- 16. ROBINSON-PATMAN (Jun 96).**
- AAFES is a joint military command of the U.S. Army and the U.S. Air Force. It is a non-appropriated fund instrumentality of the U.S. Government performing governmental functions, and partakes of all the immunities of the U.S. Government. [Standard Oil Company of California v. Johnson, 316 U.S. 481, 62 S. Ct. 1168 (1942) and U.S. v. State Tax Commission of Mississippi, 421 U.S. 599, 95 S. Ct. 1872 (1975)].
  - The Robinson-Patman Act makes it unlawful to discriminate in price between different purchasers if it may substantially lessen competition or create a monopoly. Inquiries are often received after contractors are requested by AAFES to offer prices as favorable or better than those offered to their other customers. The Robinson-Patman Act does not apply to sales to AAFES or other elements of the U.S. Government. Contractors may legally offer AAFES prices more favorable than they offer to other customers. Neither the offer by the contractor nor the acceptance by AAFES is a violation of the Robinson-Patman Act. [Champaign-Urbana News Agency, Inc. v. J.L. Cummins News Co., Inc., 632 F. 2d 680 (7<sup>th</sup> Cir. 1980)].
- 17. TRADEMARKS (Oct 96).** AAFES is the holder of numerous trademarks including, but not limited to, AAFES ®, PX ® and BX®. All AAFES trademarks are designated by the ® symbol, are legally registered and are the exclusive property of AAFES.
- 18. MAILING LISTS (Aug 92).** Under no condition will contractor sell or otherwise disseminate name and address information on AAFES customers to other persons or firms. The contractor agrees to restrict its use of such information to the performance of this contract.
- 19. ENVIRONMENTAL PROTECTION (Mar 94).**
- This clause will apply to any contract in excess of \$100,000, and indefinite quantity contracts estimated to exceed \$100,000 in one year; however, it will not apply to use of facilities located outside the United States or to contracts otherwise exempt according to 40 CFR Part 15.
  - Unless this contract is exempt, by acceptance of this contract, contractor (and, where appropriate, the subcontractor) stipulates:
    - that any facility to be used in the performance of any nonexempt contract or subcontract is not listed on the EPA list of Violating Facilities as of the date of contract award;
    - its agreement to comply with all requirements of Section 114 of the Air Act and Section 308 of the Water Act relating to inspection, monitoring, entry reports, and information, as well as all other requirements specified in Sections 114 and 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder;
    - that as a condition of award of contract, contractor shall promptly notify the contracting officer of the receipt of any communication from the Director, Office of Federal Activities, U.S. Environmental Protection Agency, or

delegatee, indicating that a facility to be used for the contract is under consideration to be listed on the EPA List of Violating Facilities;

- (4) its agreement to include the criteria and requirements in subparagraphs (1) through (4) in every nonexempt subcontract, and to take such actions the Government may direct to enforce such provisions.

## **20. DEFAULTS (Oct 96).**

- a. The contracting officer, by written notice of default, may terminate any bilateral contract in whole or in part for contractor's failure to:
  - (1) Ship/deliver conforming items or provide conforming services within the time specified.
  - (2) Timely comply with other contract requirements including, e.g., the obligation to provide disposition instructions, repair or replace defective items.
  - (3) Make progress such that performance of the contract is endangered, provided contractor does not cure such failure within ten days (or such other period as the contracting officer may authorize in writing) after receipt of notice from the contracting officer specifying such failure.
- b. In the event of default, the contracting officer may "cover" by making, in good faith and without unreasonable delay, any reasonable purchase of, or contract to purchase, goods or services in substitution for those due from contractor. Substitute items need not be identical, or the same or similar, as long as they meet the same general needs of AAFES at the time of cover, as determined by the contracting officer.
- c. Except as to performance terminated in accordance with the above, contractor is obligated to continue to perform the contract.
- d. Time is of the essence in performance of AAFES contracts.

## **21. RESTRICTIONS ON PURCHASES OF FOREIGN GOODS (Aug 95).**

- a. Contractor will not acquire for use in the performance of the contract any merchandise, equipment, supplies or services originating from, processed in, or transported from or through, the countries prohibited from commerce by the United States Government. A current list of prohibited countries is available from the contracting officer. This restriction includes merchandise, equipment, supplies or services from any other country that is restricted by law, regulation or executive order at any time during performance of the contract.
- b. Contractor agrees to insert the provisions of this clause, including this paragraph, in its subcontracts.

## **22. LOGISTICAL SUPPORT.** Contractor technical representatives, performing services under the contract who qualify under provisions of AR700-32/AFR400-15 and command directives, may be furnished logistical support provided such support is consistent with the terms of international agreements entered into by the United States with the government of the nation concerned and such support would not place the privileges and immunities of the United States in jeopardy. The provision and the extent of such support rests with the military commander concerned and not with AAFES, and the contract in no way guarantees that such support will necessarily be provided.

## **23. HAZARDOUS GOODS.**

- a. Contractor will mark all packages/cartons of hazardous/dangerous goods to meet the U.S. Department of Transportation (DOT) and the United Nations (UN) rules and regulations. Classify these goods using the AAFES Hazardous Materials Classification Sheet (AAFES Form 3900-4). Complete all applicable blanks with the required information. Return the completed form, attached to a Material Safety Data Sheet (MSDS), to the contracting officer. Material Safety Data sheets must contain the proper shipping name, class/division, UN number, packing group (when applicable) and the flash point (for class 3 dangerous goods).
- b. Packing requirements can be found in the following regulations:
  - International Maritime Dangerous Goods (IMDG)
  - International Air Transport Association (IATA)
  - Code of Federal Regulations (CFR), Title 49, Transportation.

## **24. CONFORMANCE WITH APPLICABLE LAWS AND REGULATIONS.** By supplying merchandise to AAFES, vendor warrants that it has complied with all applicable laws and regulations governing the manufacture, sale, packing, shipment and delivery of the merchandise. Vendor certifies that it, its subcontractors and its suppliers, have complied with applicable labor laws, including but not limited to the Fair Labor Standards Act (FLSA). Vendor will notify subcontractor that AAFES requires that merchandise will be made in compliance with the FLSA and will provide subcontractors with information regarding the requirements of FLSA. If requested by the contracting officer, vendor will promptly provide subcontractor names and manufacturing sites. Vendor will have an effective monitoring program for it, and its subcontractors and suppliers, and will display Wage and Hour Division posters in workers' language and

other appropriate materials, provided by US Department of Labor (DOL) through AAFES, at US work sites inviting workers to make inquiries about the Fair Labor Standards Act.

- 25. PRIVACY ACT NOTIFICATION (Apr 84).** The contractor will be required to design, develop or operate a system of records on individuals, to accomplish an agency function subject to the Privacy Act of 1974, Public Law 93-579, December 31, 1974 (5 U.S.C. 552a) and applicable agency regulations. Violation of the Act may involve the imposition of criminal penalties.

**Europe**  
**Addendum No. 1**  

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**to the**  
**Supplier Requirements**  
**and**  
**AAFES Retail Agreement**

**January 2003**



*Amy and Air Force Exchange Service*

A095135  
Item No. 746995135  
On-Line Only (OPR: PZ)



1. Add the following to the AAFES Retail Agreement (ARA)

26. **CHOICE OF LAW (JAN 94).** This contract will be interpreted and governed by U.S. Government contract law as applied by the Armed Services Board of Contract Appeals and U.S. Court of Federal Claims.

27. **DELIVERY TERMS (JAN 94).** The delivery term "Free Delivered" means contractor shall deliver the items ordered, at contractor's own cost, (for loading, transport, customs, and drayage) to the destination indicated. Loss, damage or destruction prior to receipt at destination by AAFES is contractor's responsibility. Except as otherwise provided in the contract, the delivery terms stated in this contract will be interpreted in accordance with "INCOTERMS 1990 EDITION."

28. **CURRENCY REVALUATION (JAN 94).**

a. If the currency exchange rate of the country which is the source of item(s) supplied under the contract fluctuates (increases/decreases) more than 5% against the currency exchange rate in which the contractor is paid, pursuant to the contract for a period of fourteen (14) consecutive days or more, the unperformed part of the contract applicable to such item(s) may either be (1) terminated without liability by either party by providing written notice of termination to the other party at least 10 days prior to the termination date; or (2) the cost price(s) may be renegotiated and adjusted to reflect the currency fluctuation.

b. The currency exchange rate(s) established in the contract or, if no rate(s) is established, the commercial exchange rate existing on the date of contract or effective date of amendment, as applicable, will be used to determine currency fluctuations.

2. Delete paragraphs 11, 12, 13, 14 and 16 of the ARA.

3. Delete Section 3—INVOICING AND PAYMENT of the Supplier Requirements, and replace with the following:

1. **GENERAL.** These instructions apply to all contracts unless different instructions are prescribed in the contract. Any questions concerning these instructions should be directed to the contracting officer or the accounts payable office shown under the invoice mailing address on the contract. (**Note:** As used in this section, "contract" also includes "purchase orders" or "delivery orders" or other orders for items under the contract.)

2. **INVOICING INSTRUCTIONS.**

a. In order to be considered a proper invoice for purposes of the Prompt Payment Act, an invoice must be submitted as follows:

(1) Contractor must prepare a separate numbered merchandise invoice for each order or part of an order. DO NOT CONSOLIDATE BILLING FOR MORE THAN ONE ORDER ON ONE INVOICE. Additionally, when partial shipments are authorized, use a separate invoice. Do not duplicate an invoice number used in prior billings. Correcting invoices and credit memos must be marked as such and must cross-reference the corrected invoice.

(2) Invoicing for "Direct Delivery" contracts calling for direct delivery to a selling activity in Europe will have the original invoice packed in case number 1 of the shipment, or given to the exchange receiving activity upon delivery.

(3) Invoices for all other merchandise sent to AAFES selling activities and warehouse facilities must be submitted in original copy only, to one of the AAFES addresses indicated below. An invoice copy or a packing slip must be included in case number 1 of each shipment. The copy is considered a packing slip to facilitate receiving by the facility and is not a proper invoice to enable payment. Mail invoices to:

Army and Air Force Exchange Service  
ATTN: Accounts Payable  
P.O. Box 660261  
Dallas, Texas USA 75266-0261

or

Army and Air Force Exchange Service  
ATTN: Accounts Payable  
2727 LBJ Freeway  
Dallas, Texas USA 75234-7388

Direct questions concerning invoices to either of the above addresses, or telephone (001)-972-277-7912, or fax to (001)-972-277-1308. To expedite research, a copy of applicable invoices should be included with the inquiry. (**Note:** P.O. Box 660261 is a dedicated Accounts Payable post office box.)

b. Invoices must be issued by the company whose name is on the contract unless otherwise authorized by contracting officer. The invoice number must not be a duplicate number used in prior billings. Invoices must contain the following minimum information to enable timely payment:

(1) The Contractor's name and address and the name, title and phone number of contractor's contact person.

(2) The AAFES-assigned vendor payment number.

(3) Invoice date. This cannot be a date earlier than the ship date required by the contract. In the event the invoice date is a date earlier than the required ship date, AAFES retains the right either to return the improper invoice to the contractor for correction or to change the invoice date to be the required ship date. In the event an invoice is returned to a contractor because it is improper due to the date on the invoice is earlier than the required ship date or the invoice is improper for any other reason, the invoice date, for purposes of prompt payment discounts, will be considered to be the date of receipt of the corrected, proper invoice.

(4) Contract order number. This is a 10-digit number. Contractors must use the 10-digit number for open order/direct delivery shipments.

(5) Item description and quantity shipped/delivered.

(6) Three-digit line item number is required, if applicable (i.e., line item contract and not dollar-only receiving contract). AAFES 9-, 11- or 15-digit number or UPC/EAN number is required if the 3-digit contract line item number is not available.

(7) Line item cost and extension.

(8) Currency code if other than U.S. dollars.

(9) Shipping and discount terms, including prompt payment discount, distribution allowance, special allowance. Prompt payment discounts, distribution allowances, and special allowances must be shown on the invoice using percentage figures only. DO NOT DEDUCT ANY OF THESE FROM THE ITEM COST OR FROM THE INVOICE TOTAL.

(10) Number of cases shipped, and where possible on FOB origin shipments, the cube and weight thereof as well as the date and mode of shipment.

(11) "Ship To" or "Mark For" address as shown on the order or contract. Include the facility name and building number if available. The 10-digit facility number must be included on the invoice.



(12) Freight Charges.

(a) If the delivery terms are FOB origin and shipments are prepaid, do not add the shipping charges to the invoice for merchandise. Submit a separate invoice for shipping charges, and cross-reference the appropriate purchase/delivery order number and merchandise invoice number. Support shipping charges on a separate invoice by stapling a copy of the paid freight bill, carrier's bill, or parcel post receipt behind the invoice. Invoices for freight charges must be mailed to the AAFES Europe Distribution Activity at the following address:

Army and Air Force Exchange Service  
ATTN: GDC-TR  
Postfach 110120  
D-35346 Giessen  
Germany

(b) A proof of shipment is required for orders directing shipment to a distribution activity or warehouse. An original proof or certificate of shipment in lieu thereof must be submitted with the original invoice at the time it is submitted for payment. Staple the proof of shipment document behind the original invoice. If a single proof of shipment document is used for several purchase orders or delivery orders, annotate the document with the individual purchase order or delivery order numbers, and indicate the number of pieces and weight applicable to each purchase order. The proof of shipment document and applicable invoice must be received together. If an acceptable proof of shipment is not received with the invoice, the vendor will be notified by letter. Invoices will not be paid until an acceptable proof of shipment is received. The following is a list of acceptable proof of shipment documents:

- (1) Original Bill of Lading, properly receipted by the carrier for all shipments made via railroad, Motor Carrier, Freight, Steamship or Air.
- (2) Original express receipt signed or initialed by the express company.
- (3) Original Post Office Forms bearing cancelled postage. Do not insure our account unless specifically authorized.
- (4) Original receipt signed and stamped by an AAFES authorized representative for any merchandise delivered by truck.

(c) Certificate of Shipment Instructions.

- (1) Supplier may provide certification of shipment for each invoice in lieu of furnishing proof of shipment. The certification is required on the original copy of the invoice only, and should be affixed on the front of the last page of an invoice providing space permits and it is legible. Certification of shipment will not be accepted if affixed to reverse side of the invoice. When space on the front of the original invoice is inadequate, the certification must be accomplished by a separate document stapled behind the original copy of the invoice.
- (2) The required wording for a Certificate of Shipment is shown below. **Note:** The certificate must indicate invoice number, purchase order/delivery order number, date of shipment, bill of lading number (indicate whether shipper or carrier's number), bill of lading date, name of carrier, number of cartons/cases, gross weight, signature, and title of an authorized representative of your firm. The information must be complete.

**FACSIMILE FORMAT FOR CERTIFICATE OF SHIPMENT.**

This certifies that merchandise listed on our Invoice No. \_\_\_\_\_ was shipped in accordance with the terms and conditions of your Purchase Order/Delivery Order No. \_\_\_\_\_ on (shipment date) \_\_\_\_\_ via (name of carrier) \_\_\_\_\_ under bill of lading (shipper's) (carrier's number) \_\_\_\_\_ dated \_\_\_\_\_ in \_\_\_\_\_ cartons/cases, totaling \_\_\_\_\_ (weight). It is further certified that the original proof of shipment is in our possession and will be retained for a period of three years from date of shipment. Upon written demand, it will be furnished the Army and Air Force Exchange Service. In the event we are unable to furnish required proof of shipment to support loss or damage claims, we hereby agree to reimburse AAFES for any loss or damage to this shipment without regard to which party would normally bear the risk of loss.

Printed or Typed Name	Signature
Title	Date Signed

(11) Complete "remit to" mailing address on the invoice to indicate where contractor's payment is to be sent. However, payment will be made to the name and address furnished by the contractor for inclusion in the AAFES Vendor Master File unless the contractor has requested and obtained approval of a change in accordance with the procedures described in paragraph 3.h.

(12) If the invoice is for payment for meat or meat food products, the invoice must be marked: **INVOICE FOR MEAT OR MEAT FOOD PRODUCTS—EXPEDITE**. If the invoice is for payment for dairy products, edible fats or oils, or food products prepared principally from edible fats or oils, the invoice must be marked: **INVOICE FOR DAIRY, FATS, OR OILS/PRODUCTS—EXPEDITE**.

**3. PAYMENT.**

a. A proper invoice is an invoice, which contains all of the information/documentation specified in paragraph 2.b., and is sent to the address specified in the contract for the designated AAFES paying office. A proper freight charge invoice must cross-reference the corresponding merchandise invoice and contract number. Improper invoices may be returned without payment to the contractor.

b. Payment terms for AAFES contracts are as follows:

(1) Special item categories.

(a) For meat and meat food products, as defined by the Packers and Stockyard Act of 1921, 7 U.S.C. 182(3), including any edible fresh or frozen poultry meat, any perishable poultry meat food product, fish (fresh or frozen), fresh eggs, and any perishable egg product, payment will be made not later than 7 days after delivery.

(b) For perishable agricultural commodities, as defined in the Perishable Agricultural Commodities Act of 1930, 7 U.S.C. 499 a(4), payment will be made not later than 10 days after delivery, unless the contract specifies otherwise. The term *perishable agriculture products* includes fresh fruit and fresh vegetables of every kind whether or not frozen or packed in ice, and cherries in brine.

(c) For dairy products, as defined in the Dairy Production Stabilization Act of 1983, 7 U.S.C. 4502(e) (including liquid milk, cheese, certain processed cheese products, butter, yogurt, and ice cream), for edible fats or oils, and for food products prepared principally from edible fats and oils (including mayonnaise, salad dressings, and other similar products), payment will be made not later than 10 days after receipt of a proper invoice.

(2) For other items, payment terms will be as specified in the contract.

(3) When the contract specifies payment terms based upon an end-of-the-month (EOM) term, the 25th day of the calendar month will establish the end of the month. When the contract specifies a "proximo" or "PROX" payment term, the payment term begins on the 1st day of the next calendar month. These terms are illustrated below using invoice receipt date:

**Net 10 EOM.** When a proper invoice is received on or before the 25<sup>th</sup> day of the month, payment will be due on the 10th day of the next calendar month. When a proper invoice is received after the 25th day of the month, payment will be due on the 10th day of the second calendar month following receipt of a proper invoice. Depending upon the date of receipt of a proper invoice, the length of the terms can vary from approximately 15 days (proper invoice received on the 25th day of the month) to approximately 45 days (proper invoice received on the 26<sup>th</sup> day of the month).

**Net 10 PROX.** Payment is due on the 10th day of the calendar month following the calendar month that AAFES receives a proper invoice. Depending upon date of receipt of a proper invoice, the length of the terms can vary from 10 days (proper invoice received on the last day of the month) to approximately 40 days (proper invoice received on the first day of the month).

(4) For items other than those specified in paragraph 3b(1) above as special item categories, if the contract fails to specify when net payment is due:

(a) But the contract specifies a prompt payment discount period of less than 30 days, then net payment will be due 30 days after receipt of a proper invoice.

(b) But the contract specifies a prompt payment discount period of 30 days or more, then net payment will be due 30 days after the prompt payment discount period ends.

(c) And also fails to specify any prompt payment discount, then net payment will be due 30 days after receipt of a proper invoice.

c. An invoice is considered to be received on the later of the following dates:

(1) EITHER the date a proper invoice is actually received by the designated AAFES paying office, if AAFES annotates the invoice with the date of receipt at the time of receipt, OR the date of the invoice if the designated AAFES paying office receives a proper invoice but fails to annotate the invoice with the date of receipt at the time of receipt; OR

(2) The date a proper invoice is actually received by the AAFES EDI data bank if the invoice was transmitted via EDI, OR

(3) EITHER the 7th day after delivery of the items in accordance with the contract terms; OR the date of actual acceptance if actual acceptance occurs before the 7th day after delivery of the items in accordance with the contract; OR the date of actual acceptance occurring more than 7 days after delivery of the items in accordance with the contract terms when a longer acceptance period is specified in the contract to afford AAFES a practicable opportunity to inspect, test, and accept the items.

d. In the event that the prompt payment discount, distribution allowance, or other special discounts or allowances specified on contractor's invoice are better than that specified in the contract, AAFES may take the more favorable discounts and/or allowances.

e. For the purpose of determining whether payment is timely made by AAFES, a "day" is counted for each calendar day, except: Saturdays, Sundays, and federal holidays. Payments falling due on a Saturday, Sunday or United States federal holiday may be made the following business day without incurring late payment interest penalties.

f. Net and prompt payment discount periods begin the later of the date a proper invoice is received at the proper AAFES paying office or receipt of merchandise (CONUS shipments)/scheduled ship date (Overseas shipments).

g. Payment is made:

(1) the date a check for payment is dated.

(2) the date an electronic fund transfer is received, regardless of the date the financial institution posts the transfer.

(3) the date a withholding, authorized by the contract, is initiated by AAFES.

h. Payment will be made by mailing a check to the address shown on the contract, unless the contractor provided a different "remit to" address to the contracting officer for inclusion in the AAFES Vendor Master File.

(1) If a contractor wishes to change the address (e.g., street, P.O. Box, city, state) to which payment should be sent, or wishes its payments to also reflect a financial institution or a factor's name and be sent to the financial institution or factor's address, the request must be in writing, signed by a responsible official of the contractor, and submitted for approval through the contracting officer.

All such requests must clearly establish which division or subsidiary of a corporation such changes apply to and the address, which is superseded by the changes. These changes will become effective when approved by the contracting officer and FA-C/P and on the date determined by AAFES. This will normally be 30 days after approval. Changes will be done on an accommodation basis only, with the understanding that no legal obligation is imposed on AAFES for failure to make payment to the new payee/ address. The contractor may in similar manner, revoke such changes.

(2) Any request by the contractor to change the name shown on the contract or to assign contract performance must be sent to the contracting officer.

i. If the contractor's "remit to" address is not in the AAFES Vendor Master File, payments will be forwarded to the address shown on the contract.

j. Any questions or inquiries concerning invoice payments should be directed to the AAFES paying office designated on the contract or purchase/delivery order. AAFES does not maintain separate ledger balances for each contractor. Consequently, any inquiry concerning unpaid invoices or other payment discrepancies must include the following data:

Unpaid Invoice

AAFES Order No.  
Invoice No.  
Date of Invoice  
Invoice Amount  
"Ship To" Address

Other Payment Discrepancies

AAFES Order No.  
Invoice No.  
AAFES Charge/Credit Voucher No.  
AAFES Check No.

k. Any interest penalties due to contractors will be computed in accordance with the Prompt Payment Act, 31 U.S.C. 3901-3906, as amended.

l. Unidentified and duplicate payments must be brought to the attention of the AAFES paying office designated in the contract immediately upon discovery. The contractor is required to mail a copy of the AAFES check voucher received with the unidentified or duplicate payment highlighted. Under no circumstances should unidentified payments be applied against outstanding invoices.

m. Proof of delivery may be requested by the designated AAFES paying office for FOB Destination contracts if payment of the invoice in question cannot be found by the AAFES paying office.

4. **PROOF OF SHIPMENT REQUIREMENT.** Contractor must retain the proof of shipment for 3 years after completion of the contract. Proof of shipment will be provided to AAFES upon request. In the event contractor fails to provide proof of shipment, contractor will be liable for any loss or costs to AAFES.

4. **Delete Section 4** of the Supplier Requirements, and replace with the following:

1. EDI is the electronic exchange of data between trading partner computers using standard formats. We see EDI as the most efficient way to conduct business. EDI allows us to improve service to our customers, reduce expenses, and increase productivity. We prefer that all contractors receive our orders and transmit their invoices electronically. The reason for an EDI standard is that it lets us communicate more efficiently with various trading partner computers. It avoids proprietary formats that are not compatible with each other, and avoids development and maintenance of custom programs for each company that does not use a standard format.

2. Currently, AAFES utilizes the ANSI X12 standards exclusively. We plan to begin development of documents using UN/EDIFACT during FY2003. All contractors with the ability to receive and/or transmit documents using ANSI X12, should contact the AAFES EDI support staff at this time.

3. Should a contractor with the ability to exchange electronic documents with AAFES, fail or refuse to begin the implementation of EDI, AAFES will have the option to terminate our business relationship with the noncompliant contractor.

4. The Debt Collection Improvement Act of 1996 mandated all federal agencies to make payments using some type of electronic format by 2 January 1999. This includes, but is not limited to Electronic Fund Transfer (EFT), procurement card or direct debit. Any new contracts must include provisions for making EFT payments, provided the contractor's bank is capable. AAFES will continue to offer support in converting contractors from manual checks to electronic payments.

5. To start the EDI process, call the EDI support staff at (001)-214-312-4070. The EDI staff can provide information on the implementation process. When the EDI that meets both our requirements is working, we will demonstrate agreement by either sending you an EDI order and your filling that order, or by you sending us an EDI invoice and our payment of that invoice.

5. **Delete Section 5** of the Supplier Requirements, and replace with the following:

#### **PACKING, MARKING, LABELING, AND SHIPPING**

1. **GENERAL.** AAFES will charge the contractor for failure to follow packing, marking, labeling and shipping instructions. In addition to the contracting officer, AAFES-Logistics maintains a transportation office in Germany to assist with questions or problems when shipping merchandise. For assistance contact:

AAFES-GIESSEN DISTRIBUTION CENTER  
ATTN: TR ROUTING SECTION  
POSTFACH 110120  
D-35346 GIESSEN, GERMANY  
Inside Country FAX: 0641-407-318  
Outside Country FAX: (0049)-641-407-318  
Inside Germany TEL: 0641-407-452 or 357  
Outside Germany TEL: (0049)-641-407-452 or 357

## **2. MARKINGS.**

a. You may use your labels or stencil information on the shipping cartons as indicated below. Label lettering must not be less than 7mm (0.175") and labels must be affixed with waterproof glue. Stenciled lettering must not be less than 15mm (0.59") or more than 75mm (2.95") in height.

(1) Name and address of vendor/consignor.

(2) Name and address of shipment consignee.

(3) Carton numbers and total number of cartons.

(4) Weight and cube of carton.

(5) Purchase order number.

(6) Item, quantity and AAFES 7-digit CRC Number. **Note:** DO NOT MARK DESCRIPTION OR QUANTITY ON CARTON IF ITEMS ARE OF HIGH VALUE OR EASILY PILFERABLE. Instead, use a packing list as described in paragraph 3.

(7) Store name and number (applicable when "MARK FOR" block is different from "SHIP TO" block on the purchase/delivery order).

b. Various types of items require special markings and handling. When shipping fragile items, candies, canned goods, etc., mark the cartons and carrier's bill of lading/consignment note to insure the carrier provides the required protection. Some examples are: "FRAGILE-HANDLE WITH CARE," "PROTECT FROM FREEZING," and "COOL STOW REQUIRED. KEEP AWAY FROM HEAT." Language should not only be in English, but in the language of the country receiving or handling the package.

3. **PACKING LIST.** When different items are packed in a single shipping carton, items of high value or easily pilfered, prepare a packing list and place it inside the carton and mark the carton "packing list inside". When the packing list refers to items inside several cartons, place the packing list inside carton number one and mark all cartons, "Packing List Inside Carton Number 1."

4. **SERIAL NUMBER ITEMS.** When items such as watches, cameras, camera lenses, typewriters, television sets and stereo components are identified by a serial number, keep a record of each serial number for items shipped to AAFES-Europe.

## **5. PALLETIZING.**

a. Pallets will conform to ISO (International Shipping Organization) or UIC (Uniform International Cargo) standards. Individual cartons on the pallet will be marked with information noted in paragraphs 2.a(1) thru 2.a(7). Pallets will be marked to indicate the number of pieces per pallet. Each pallet will indicate consignor and consignee of shipment.

b. Shipment on pallets destined for European Union countries must comply with regulations regarding imports. (See [www.aafes.com/pa/selling/nmwp\\_update.html](http://www.aafes.com/pa/selling/nmwp_update.html).)

(1) All shipments on pallets destined for European Union countries (which include Germany, United Kingdom, Italy, Spain, France, Belgium, Netherlands, Luxembourg, Austria, Portugal, Ireland, Sweden, Switzerland, Greece, Denmark and Finland) must comply with the Emergency Measure (2001/219/EC) adopted by the Commission of the European Communities (CEC) which apply to coniferous (softwoods—pine, spruce, fir) Non Manufactured Wood Packing (NMWP) materials used to ship products. NMWP materials are pallets, crating, boxes or dunnage made of raw wood.

(2) The Emergency Measure was adopted by the CEC to stop further spread of a microscopic pinewood nematode to European Union forests that has already caused damage to the forests of Japan and China. This mandate requires all coniferous NMWP materials to be heat treated, or kiln dried heat treated, and certified by an accredited agency recognized by the American Lumber Standards Committee (ALSC).

(3) To comply, AAFES requires all NMWP materials produced entirely or in part of nonmanufactured softwood species to be constructed from Heat Treated (HT to 56 degrees centigrade for 30 minutes) coniferous material and certified accordingly by an accredited agency recognized by the American Lumber Standards Committee (ALSC) in accordance with NMWP enforcement regulations dated May 30, 2001.

(4) NMWP made exclusively of hardwood materials, though exempt from the CEC Emergency Measure, must also be marked. The proper mark is "NC – USA".

(5) Markings placed on the NMWP materials must be at least 1.25" in height. On pallets, the markings shall be applied to the stringer or block on opposite sides and ends of the pallet and be contrasting and clearly visible. On crates/containers, the marking shall be applied on a side other than the top or bottom, contrasting and clearly visible. These quality marks and more information regarding the European Emergency Measure can be viewed at the USDA website, <http://www.aphis.usda.gov/ppq/swp/eunmwp.html>.

**6. ROUTING INSTRUCTIONS AND DOCUMENTATION.** Where AAFES assumes all or part of the freight charges under the delivery terms of the order, separate routing instructions and customs forms will be furnished by the transportation office. **Vendor is required to call GDC-TR in Giessen, Germany 5 days prior to vendor ship date, except vendors shipping out of Italy then a 14-day notice is required, telephone (0049)-641-407-452 or 357. Failure to call may result in rejection of any shipment.**

**7. BILL OF LADING.** Consolidate all orders being shipped to the same destination on one bill of lading (B/L). Annotate the B/L with each individual purchase/delivery order number, number of pieces, weight and cube for each purchase order. Provide the carrier with two copies of the B/L with written instructions on the B/L: "Attach one copy of B/L to your delivery receipt."

**6. Delete Section 6—UNIVERSAL PRICING CODE** and replace with the following:

#### **PRICE AND UNIVERSAL PRODUCT CODE MARKING INSTRUCTIONS**

##### **GENERAL**

1. Except for fashion items shipped to the AAFES Fashion Distribution Facility, AAFES requires all vendors to have either an International Numbering Agency (EAN) bar code or a Universal Product Code (UPC) on the merchandise.

##### **EAN AND UPC CODES**

2. The EAN Code is a 13-digit, and the UPC Code is a 12-digit, all numeric code that will identify the consumer package and/or the shipping container.

a. The International Article Numbering Agency is the EAN central code management agency. This agency assigns EAN numbers, to companies, in accordance with the numbering system they have established. Companies interested in using the EAN code should contact the agency directly at International Article Numbering Agency, Rue des Colonies, 54-BTE 8, B-1000 Brussels, Belgium.

b. The Uniform Code Council (UCC) is the central code management agency for the UPC. This agency will assign only the manufacturer identification numbers according to UCC rules, but will not assign the item numbers. Nor will the agency be required to

maintain a listing of the second five-digit number assignments made by each manufacturer. Each manufacturer will continue to assign, control and record its own five-digit numbers within the UPC configuration. Companies interested in obtaining their UPC manufacturer identification number should apply directly to Uniform Code Council, Inc., at 8163 Old Yankee Road, Suite J, Dayton, Ohio USA 45458.

#### **7. Add the following to Section 11 of the Supplier Requirements:**

C16. One English language instruction booklet or leaflet will be supplied with each item.

C17. Flame-Resistant Identification. The contractor agrees to include the statement, "Flame resistant. US Standard FF5-74" on an attached label, tag, or the package inclosing each child's sleepwear garment in sizes 7 through 14.

C19. All items listed in this contract must be manufactured in conformance with the following standards for toys:

- a. U.S. Code of Federal Regulations 16, parts 1500, 1501 and 1505
- b. American Society for Testing and Materials (ASTM) Standard F963 or European Norm (EN) 71, parts 1-5 and EN 50088 in the case of electrical toys.

C20. Payments will be made and discounts shall apply upon receipt of invoice, proof/certificate of shipment and Abwicklungsschein (required for Germany only).

C22. All electrical items in this contract must be 110V, 50/60 cycle to be furnished with standard American two-prong plug (VDE "Association of German Electrical Technicians" approved).

C23. All electrical appliances must be approved by an organization equivalent to the US Underwriters Laboratories. A tag or label will be affixed to each item showing the approving organization. The UL equivalents can be found at [www.aafes.com/qa/docs/supgap-product\\_certifications.htm](http://www.aafes.com/qa/docs/supgap-product_certifications.htm).

C24. Required electrical appliance presetting:

- a. United Kingdom—240 Volts, 50 Cycles
- b. Germany—230 Volts, 50 Cycles
- c. Greece, Italy, Spain and Turkey—220 Volts, 50 Cycles.

C25. One English language instruction manual, guarantee/warranty card and authorized United Kingdom guarantee repair station(s) will be included with each item.

C33. One English language instruction booklet or leaflet will be supplied with each item. Guarantee/warranty card and a list of authorized repair stations in Europe and United States will also be supplied.

C34. Electrical appliance will be equipped with 2-core lead flat German plug and 2 round pins.

C35. U.S. flat 2-pin plug listed in UL or equivalent agency certified.

C36. All 110V electrical Christmas tree light sets must be UL approved. All 220V electrical Christmas tree light sets must be VDE approved.

#### **EQUIPMENT AND AUTOMOTIVE**

E01. Except for vehicles, each unit will include manuals for installation, operation and maintenance with lists of spare parts and supplies with prices. Vehicles will include an operators' manual. Revised parts and supplies list will be sent to AAFES as they are issued.



E02. Vehicle serial numbers will be shown on individual shipping documents covering each vehicle.

E03. Ship on wheels, fully assembled, unboxed, with no preparation for overseas shipment.

E07. Parts supplied under superseding part numbers must be identified with old and new part numbers on invoices.

E08. Partial shipments are authorized on automotive parts orders.

E09. For shipment of wheeled vehicles, reproduce an additional copy of the bill of lading and mail to AAFES-GDC, ATTN: TR, POSTFACH 110120, D-35346 Giessen, Germany.

**Add the following to Section 9—FOOD AND BEVERAGE, to the Supplier Requirements:**

F10. Products ordered will originate in an establishment listed in the "DoD Directory of Sanitarily Approved Food Establishments for Armed Forces Procurement" which is consolidated and published by the U.S. Army Veterinary Command. DoD Directory is available at: <http://vets.amedd.army.mil/dodvsa/index>.

F11. The type of can used is guaranteed to withstand overseas shipping and handling, and the contents will have a shelf life of 12 months from date of pack.

F12. Products ordered must be shipped from latest pack.

F14. Additional delivery charges owing to overtime rates on Saturdays, Sundays, and host country holidays, are reimbursable when incurred on delivery instructions pertaining to this order.

F15. Ship and store under refrigeration at 5 to 10 degrees centigrade (41 to 50 degrees Fahrenheit) (chill).

F16. Ship and store under refrigeration at 0 to 4 degrees centigrade (32 to 39 degrees Fahrenheit) (chill).

F17. Ship and store under refrigeration at -18 degrees centigrade (0 degrees Fahrenheit) or lower (frozen).

F18. Seasonally packed products ordered will be from latest season pack and shall not have been in storage more than 12 months.

**GENERAL**

G01. Date of manufacture must be shown on both inner cases and outer shipping containers. Use a plain reading month and year manufactured; i.e., MFGD 3-97 OR MFGD Mar 97.

G02. Mark the word "Aerosol" in bold lettering not less than 7/16" (11mm) high on all shipping containers of product packed in aerosol dispensers.

G08. Partial shipments not authorized without prior approval of contracting officer.

G09. Date of manufacture must be shown on both inner cartons and outer shipping containers. Indicate numerically the month and year manufactured, i.e., MFGD 6-97.

G10. Provisions of Store Shipping Schedule Section VI apply.

G11. Palletize per agreement with AAFES contracting officer.

**SHIPPING AND MARKING**

S01. Annotate on the bill of lading: "Transportation hereunder is for the U.S. Government and the actual cost paid to the carrier(s) by the shipper is to be reimbursed by the Army and Air Force Exchange Service-Europe, an instrumentality of the United States Government."

S02. Label dangerous cargo in accordance with international regulations.

S03. Provisions in Section V apply.

S04. For consolidation and reshipment to overseas destination, assembly rates apply.

**ADDITIONAL REQUIREMENTS**

T05. The goods and/or services listed are to be delivered at a price exclusive of VAT (value-added tax) under arrangements agreed between the appropriate U.S. authorities and HM Customs and Excise (reference: Priv 46/7). I hereby certify these goods and/or services are being purchased for United States official purposes only. (Applies to contracts/purchase orders for United Kingdom vendors.)

**8. Add Section 13—STORE SHIPPING SCHEDULE, to the Supplier Requirements:**

**STORE SHIPPING SCHEDULE**

1. This purchase order/delivery order shows the total quantity of the item and styles ordered for all stores. The Store Shipping Schedule attached to this order shows the quantities to be packed and marked for each store. The size scale, if applicable, to be followed will be shown either in the handling of the schedule or will be attached to it. SHIPMENT MUST BE COMPLETE IN ONE DELIVERY.
2. All merchandise ordered and shipped under the direct delivery program must be preticketed in accordance with Section 12.
3. The quantity shipped to each store, as detailed in the attached Store Shipping Schedule, must be packed separately and the cartons containing these individual store requirements must be marked with the store name and number.
4. Merchandise marked for transshipment to stores will include the seven-digit facility number (AIM) in addition to the facility name to facilitate reforwarding.
5. Insure each of the following instructions is adhered to:
  - a. Break the total quantities down by size, color, and style for each of the stores.
  - b. Preticket each of the items in the shipment and place one ticket on the outside of cartons for that store.
  - c. Properly mark each carton with the store name and number and the total number of cartons for that store.
  - d. Indicate the actual quantity shipped and the number of cases by store on the Store Shipping Schedule and insert in carton no. 1 for each store a copy of the completed Store Shipping Schedule.
6. DO NOT FORWARD SEPARATE INVOICES FOR EACH STORE; SUBMIT ONLY ONE (1) COPY, WITH PROOF OR CERTIFICATE OF SHIPMENT, FOR THE TOTAL PURCHASE ORDER.